7

Industry, trade and services

The European Commission's enterprise policies aim to create a favourable environment for business to thrive within the European Union (EU), thus creating higher productivity, economic growth, jobs and wealth. Policies are aimed at reducing administrative burden, stimulating innovation, encouraging sustainable production, and ensuring the smooth functioning of the EU's internal market.

European industry contributes to output, jobs, innovation and exports and is interrelated with service activities. Indeed, many service activities such as transport, information and communication depend on industry to produce the equipment and hardware which they use. The internal market for goods is one of the EU's most important and continuing priorities which aims to create a user-friendly environment for businesses and consumers. Creating a single market for the service sector – one of the main drivers of the EU's economy – relies largely on the opportunities available for businesses to provide and access services in the EU.

The business environment in which enterprises operate in the EU plays a significant role in their potential success through factors such as access to capital markets (in particular for venture capital), or the openness of markets. Ensuring that businesses can compete openly and fairly is also important with respect to making Europe an attractive place in which to invest and work. Creating a positive climate in which entrepreneurs and businesses can flourish is considered by many as the key to generating the growth and jobs that Europe needs. This is all the more important in a globalised economy, where some businesses have considerable leeway to select where they wish to operate. The regulatory environment in which businesses operate influences their competitiveness and their ability to grow and create jobs. The European Commission is committed to developing a better regulatory environment for businesses; one that is simple, understandable,

effective and enforceable. The better regulation agenda of the Commission aims at:

- implementing a strategy to simplify existing legislation through a simplification programme;
- reducing administrative burdens by 25 % by 2012;
- placing greater emphasis on the use of impact assessments and public consultations when drafting new rules and regulations;
- monitoring the application of the Union's law.

The 21 million small and medium-sized enterprises (SMEs) in the EU in 2007 represented 99.8 % of enterprises in the non-financial business economy, and are regarded as a key driver for economic growth, innovation, employment and social integration. The European Commission aims to promote successful entrepreneurship and improve the business environment for SMEs, to allow them to realise their full potential in the global economy.

At the European Council meeting of 26 March 2010, EU leaders set out their plan for Europe 2020, a strategy to enhance the competitiveness of the EU and to create more growth and jobs. The latest revision of the integrated economic and employment guidelines (revised as part of the Europe 2020 strategy for smart, sustainable and inclusive growth) includes a guideline to improve the business and consumer environment and modernise Europe's industrial base. Additional information about the Europe 2020 strategy can be found on the Europe 2020 website. In October 2010 the European Commission presented a Communication on 'An industrial policy for the globalisation era', which provides a blueprint that puts industrial competitiveness and sustainability centre stage. The new industrial policy establishes a strategic agenda and proposes some broad cross-sectoral measures, as well as tailor-made actions for specific industries, mainly targeting the so-called 'green innovation' performance of these sectors. Furthermore, a report on Member States' competitiveness policies and performance will be published annually. A European Commission Communication titled, 'A Digital Agenda for Europe' (COM(2010) 245) outlines policies and actions aimed at maximising the benefit of the digital era to all sections of society. The agenda outlines seven priority areas for action – see Subchapter 7.6 on the information society for more detail.

7.1 Structural business statistics

This subchapter presents Eurostat's structural business statistics (SBS) describing the structure, main characteristics and performance of economic activities in the European Union (EU). The data presented in this subchapter are mainly analysed at the level of NACE sections or divisions, but readers should note that structural business statistics are available at a much more detailed level (several hundred sectors).

Structural business statistics can provide answers to questions on the wealth creation and number of jobs in different activities, the structural shift from industry to services and where this trend is most notable, country specialisations, sectoral productivity, profitability and average wages, as well as many other topics. Because they are available broken down by enterprise size-class, structural business statistics also permit a detailed analysis of small and medium-sized enterprises (SMEs), which is of particular use to EU policymakers and analysts wishing to focus on entrepreneurship and the role of SMEs. Furthermore, structural business statistics provide useful background information on which to base an interpretation of short-term statistics and the business cycle.

The knowledge-based economy and the demand for intangibles, either for consumption or investment purposes, as well as international outsourcing, has led to a major restructuring of many European economies, with a shift away from industrial activities towards services. Traditionally, structural business statistics were concentrated on industrial and construction activities, and to a lesser extent distributive trades and services. Since the early 1990s, major developments in official statistics within the EU have seen data collection efforts focus more on services.

Main statistical findings

In 2007 there were an estimated 20.9 million enterprises within the EU-27's non-financial business economy which covers industry, construction, distributive trades and non-financial services. Collectively these enterprises employed 133.8 million persons in 2007 and generated EUR 6 146 thousand million of value added in 2007.

Among the eight NACE Rev. 1.1 sections in the non-financial business economy, manufacturing was the largest in terms of employment and value added. Some 2.3 million manufacturing enterprises generated EUR 1 813 thousand million of value added in 2007, whilst providing employment for about 34.5 million persons. Distributive trades enterprises (motor trades, wholesale trade, and retail trade and repair), which represented a little under one in every three (30.4 %) enterprises within the EU-27's non-financial business economy, provided employment for 32.5 million persons and generated a further EUR 1 184 thousand million of value added. However, it should be noted that the employment data presented here are head counts and not, for example, full-time equivalents, and there may be a significant proportion of persons working part-time in some activities, notably distributive trades activities as well as hotels and restaurants. Real estate, renting and business activities had the third largest workforce, some 27.8 million persons, and the second largest value added, EUR 1 397 thousand million.

Looking in more detail, namely at the NACE Rev. 1.1 division level, a little under one in every five enterprises in the EU-27's non-financial business economy were active in the other business activities sector composed of professional, technical and administrative business activities, such as legal services, accounting, advertising, industrial cleaning, and security services (see Figure 7.1). Many of these business services have benefitted from the

outsourcing phenomenon, which may explain, in part, the structural shift towards services. Retail trade and repair and construction had the next largest populations of enterprises, with none of the other activities (at this level of detail) recording a share in excess of 10 %. The same three activities had the largest shares of employment within the non-financial business economy, in each case in excess of 10 % of the total; their employment shares were lower than for the number of enterprises, indicating that these activities were all characterised by a large number of relatively small (in terms of average employment) enterprises. These three activities had even lower shares of non-financial business economy value added. Again the other business activities sector accounted for the biggest proportion, some 13.0 % of the total, but by this measure wholesale trade was the second largest activity, followed closely by construction and then retail trade and repair.

High rates of part-time work in many service sectors also help explain, in part, the considerable differences in average personnel costs within the non-financial business economy of the EU-27, as shown in Table 7.3. Average personnel costs in the EU-27's electricity, gas and water supply sector were EUR 43 000 per employee, a level that was 2.6 times that for hotels and restaurants and 1.7 times that for the distributive trades. The variation in wages and salaries was even more marked between Member States. For example, average personnel costs across the manufacturing sectors (of available Member States) ranged by a factor of 18, from a high of EUR 55 700 per employee in the Netherlands to a low of EUR 3 100 per employee in Bulgaria.

The wage adjusted labour productivity ratio, which shows the relation between average value added per person and average personnel costs, was high for many of the energy-related activities, particularly for the extraction of crude petroleum and natural gas sector (862 % in the EU-27 in 2007); it was also high for the capital intensive sector of renting (see Figure 7.3).

Structural business statistics broken down by enterprise size-class (defined in terms of the number of persons employed) show that less than one enterprise in 400 within the EU-27's non-financial business economy employed 250 or more persons (and was therefore considered as large) in 2007, but these enterprises accounted for approximately one third of employment and more than two fifths of value added. Nevertheless, small and medium-sized enterprises (SMEs), with less than 250 persons employed, generated the majority of value added and employed most (67.4 %) of the workforce in the non-financial business economy. Micro enterprises (those with less than 10 persons employed) played a particularly important role, providing employment to nearly as many persons as large enterprises.

Large enterprises were particularly dominant within the sectors of mining and quarrying, electricity, gas and water supply, and transport, storage and communication. These activities are characterised either by a relatively high minimum efficient scale of production, or by their (transmission) networks that are

rarely duplicated due to the high fixed investment cost, or both. Micro and small enterprises were relatively important within the activities of construction, and hotels and restaurants. In both these sectors, enterprises with less than 50 persons employed made up more than three fifths of the value added (see Tables 7.5 and 7.6).

In general, foreign-controlled enterprises are few in number, but due to their larger than average size they have a significant economic impact; in all of the countries providing data to Eurostat, foreign-controlled enterprises accounted for less than 1 % of the total enterprise population within the non-financial business economy but usually generated more than 15 % of value added and contributed more than 10 % of total employment. The highest percentage contributions of foreign-controlled enterprises to total value added in 2007 were registered in Hungary, Slovakia, the Czech Republic and Estonia, where foreign-controlled enterprises accounted for close to 40 % or more of the value added that was generated in the non-financial business economy, as shown in Figure 7.7.

Business demography statistics are presented in Table 7.8, which shows enterprise birth, death and survival rates. Note that since most new enterprises are small, the share of newly born enterprises among the whole business enterprise population is much higher than the corresponding proportion of the workforce accounted for by these enterprises.

There are significant changes in the stock of enterprises within the business economy from one year to the next, reflecting the level of competition and entrepreneurial spirit. Among the countries providing data to Eurostat, enterprise birth rates in 2007 ranged from around 3 % in Cyprus to around 15 % in Bulgaria and Romania, with Lithuania recording an enterprise birth rate (25 %) well above this range.

Data sources and availability

Eurostat's structural business statistics (SBS) describe the structure, conduct and performance of economic activities, down to the most detailed activity level (several hundred sectors). Without this structural information, short-term data on the economic cycle would lack background and be hard to interpret.

SBS cover the 'business economy', which includes industry, construction and many services (NACE Rev. 1.1 Sections C to K); the financial services (NACE Section J) are treated separately within SBS because of their specific nature and the limited availability of most types of standard business statistics in this area. As such, the term 'non-financial business economy' is generally used in business statistics to refer to economic activities covered by Sections C to I and K of NACE Rev. 1.1 and the units that carry out those activities. SBS do not cover agriculture, forestry and fishing, nor public administration and (largely) non-market services, such as education or health.

SBS describe the business economy through the observation of units engaged in an economic activity; the unit in SBS is generally the enterprise. An enterprise

carries out one or more activities, at one or more locations, and it may comprise one or more legal units. Enterprises that are active in more than one economic activity (plus the value added and turnover they generate, the people they employ, and so on) are classified under the NACE heading according to their principal activity. This is normally the one which generates the largest amount of value added.

A revised classification (NACE Rev. 2) was adopted at the end of 2006, and at the time of writing SBS is implementing NACE Rev. 2. This will allow a broader and more detailed collection of information to be compiled on services, while also updating the classification to identify better new areas of activity (such as technology-producing sectors). The first reference year for which SBS data are due to be provided according to NACE Rev. 2 is 2008. The SBS data presented in this subchapter remain based on the NACE Rev. 1.1 version of the classification.

SBS are compiled under the legal basis provided by Parliament and Council Regulation 295/2008 of 11 March 2008 and Council Regulation 58/97 of December 1996 (and later amendments) on structural business statistics, and in accordance with the definitions, breakdowns, deadlines for data delivery, and various quality aspects specified in the regulations implementing it.

The SBS data collection consists of a common module (Annex 1), including a set of basic statistics for all activities, as well as six sector-specific annexes covering a more extensive list of characteristics. The sector-specific annexes are: industry, trade, construction, insurance services, credit institutions, and pension funds. There are also two further annexes added in 2008: business services and business demography.

SBS are also available broken down by region or by enterprise size-class. In SBS, size-classes are defined by the number of persons employed, except for specific data series within retail trade activities where turnover size-classes are also used. A limited set of the standard SBS variables (for example, the number of enterprises, turnover, persons employed and value added) is available, mostly down to the three-digit (group) level of the NACE Rev. 1.1 classification, divided by size-class. The European Commission Recommendation (2003/361/EC), adopted on 6 May 2003, classifies SMEs according to their number of persons employed, annual turnover, and independence. For statistical purposes, SMEs are generally defined as those enterprises employing fewer than 250 persons. The number of size-classes available varies according to the activity under consideration. However, the main groups used in this publication for presenting the results are:

- small and medium-sized enterprises (SMEs): with 1 to 249 persons employed, further divided into;
  - micro enterprises: with less than 10 persons employed;
  - small enterprises: with 10 to 49 persons employed;
  - medium-sized enterprises: with 50 to 249 persons employed;

- large enterprises: with 250 or more persons employed.

SBS contain a comprehensive set of basic variables describing business demographics and employment characteristics, as well as monetary variables (mainly concerning operating income and expenditure, or investment). In addition, a set of derived indicators has been compiled: for example, ratios of monetary characteristics or per head values. The variables presented in this section are defined as follows.

- The **number of enterprises** is a count of those enterprises active during at least a part of the reference period; the enterprise is the smallest combination of legal units that is an organisational unit producing goods or services, and which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit.
- **Value added** represents the difference between the value of what is produced and the intermediate consumption entering production; value adjustments (such as depreciation) are not subtracted. It can be calculated by adding to turnover the capitalised production and other operating income, adjusting for changes in stocks, and then subtracting the purchases of goods and services, as well as indirect taxes and duties. Alternatively, it can be calculated from the gross operating surplus by adding personnel costs.
- The **number of persons employed** is defined as the total number of persons who work in the observation unit (inclusive of working proprietors, partners who work regularly in the unit, and unpaid family workers). It also includes persons who work outside the unit but who belong to it and are paid by it (for example, sales representatives, delivery personnel, and repair and maintenance teams). It excludes manpower supplied to the unit by other enterprises, persons carrying out repair and maintenance work in the observation unit on behalf of other enterprises, as well as those on compulsory military service.
- **Turnover** comprises the totals invoiced by the observation unit during the reference period, which corresponds to the market sales of goods or services, supplied to third parties. Turnover also includes all other charges (transport and packaging, etc.) passed on to the customer, even if these charges are listed separately on the invoice. Turnover excludes VAT and other similar deductible taxes that are directly linked to turnover, as well as all duties and taxes on the goods or services invoiced by the unit. Price reductions, rebates and discounts, plus the value of returned packing, must be deducted from the turnover. However, price reductions, rebates and bonuses are not considered if they are conceded to clients later, for example, at the year's end.
- **Average personnel costs** (or unit labour costs) equal personnel costs divided by the number of employees (persons who are paid and

have an employment contract). Personnel costs are defined as the total remuneration, in cash or in kind, payable by an employer to an employee (regular and temporary employees, as well as home workers) in return for work done by the latter during the reference period. Personnel costs also include taxes and the employees' social security contributions that are retained by the unit, as well as the employer's compulsory and voluntary social security contributions.

- **Apparent labour productivity** is equal to the value added divided by the number of persons employed.
- The **wage adjusted labour productivity** ratio is equal to value added at factor cost divided by personnel costs – this is multiplied by the ratio of the number of (paid) employees to the number of persons employed to account for differences in the number of working proprietors and unpaid family workers; expressed as a percentage.
- The **gross operating rate** is the size of the gross operating surplus relative to turnover (which is one measure of profitability).
- The **gross operating surplus** is the surplus generated by operating activities after the labour factor input has been recompensed (it can be calculated from value added at factor cost less personnel costs).

SBS also provide information on certain special topics, such as foreign-controlled enterprises. Statistics on foreign affiliates (FATS) provide information that can be used to assess the impact of foreign-controlled enterprises on the European economy. The data may also be used to monitor the effectiveness of the internal market and the gradual integration of economies within the context of globalisation. A foreign affiliate, as defined in inward FATS statistics, is an enterprise resident in a country which is under the control of an institutional unit not resident in the same country. Control is determined according to the concept of the 'ultimate controlling institutional unit' (UCI). The UCI is the institutional unit, proceeding up a foreign affiliate's chain of control, which is not controlled by another institutional unit.

Another special topic covered by SBS is that of business demography statistics, which present data on all active enterprises, their birth, death and survival (followed up to five years after birth) and death; the information presented in this subchapter focuses on the two-year survival rate. Within the context of business demography statistics, special attention is paid to the impact of these demographic events on employment levels. Business demography variables presented in this section are defined as follows.

- An **enterprise birth** amounts to the creation of a combination of production factors, with the restriction that no other enterprises are involved in the event. Births do not include entries into the business population due to mergers, break-ups, split-offs or restructuring of a set of enterprises, nor do the statistics include entries into a sub-population that only result from a change of activity. The birth rate is the number of births relative to the stock of active enterprises.

- An **enterprise death** amounts to the dissolution of a combination of production factors, with the restriction that no other enterprises are involved in the event. An enterprise is only included in the count of deaths if it is not reactivated within two years. Equally, a reactivation within two years is not counted as a birth.
- An **enterprise survival** occurs if an enterprise is active in terms of employment and/or turnover in the year of its birth and subsequent year(s). Two types of survival can be distinguished:
  - an enterprise born in one year x is considered to have survived in the next year x+1 if it is active in terms of turnover or employment, or both, in any part of that year x+1 (survival without change);
  - an enterprise is also considered to have survived if the linked legal unit(s) have ceased to be active, but their activity has been taken over by a new legal unit, set up specifically to take over that enterprise's factors of production (survival by take-over).

Context

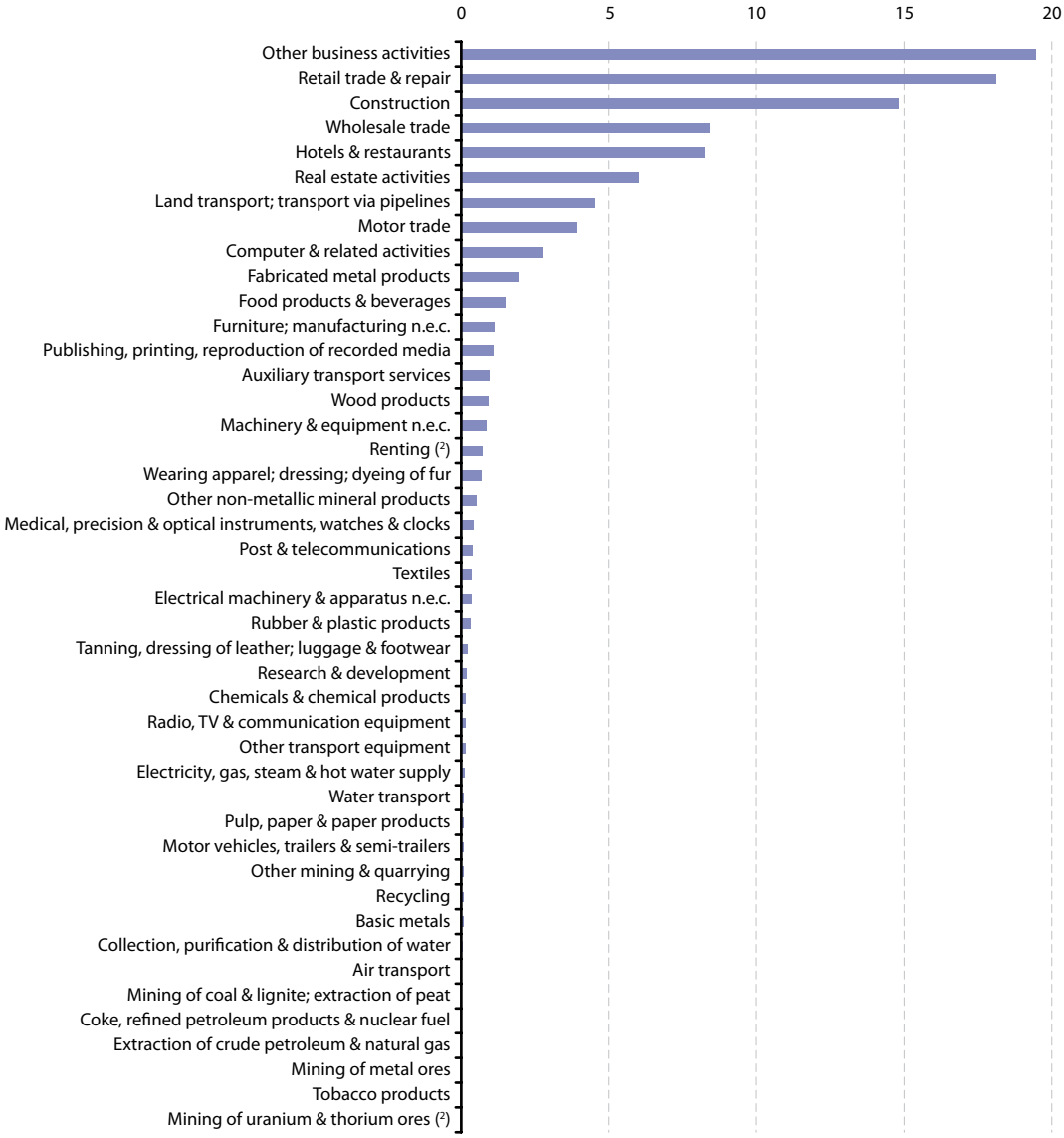
In October 2010 the European Commission presented a Communication on a renewed industrial policy. 'An industrial policy for the globalisation era' provides a blueprint that puts industrial competitiveness and sustainability centre stage. This initiative establishes a strategic agenda and proposes some broad cross-sectoral measures, as well as tailor-made actions for specific industries, mainly targeting the so-called 'green innovation' performance of these sectors.

The internal market remains one of the EU's most important priorities. The central principles governing the internal market for services were set out in the EC Treaty. This guarantees EU enterprises the freedom to establish themselves in other Member States and the freedom to provide services on the territory of another EU Member State other than the one in which they are established. The objective of the Services Directive 2006/123/EC of 12 December 2006, on services in the internal market, is to eliminate obstacles to trade in services, thus allowing the development of cross-border operations. It is intended to improve competitiveness, not just of service enterprises but also of European industry as a whole. In December 2006, the Directive was adopted by the European Parliament and the Council with transposition by the Member States required by the end of 2009. It is hoped that the Directive will help achieve potential economic growth and job creation. By providing for administrative simplification, it also supports the better regulation agenda.

SMEs are often referred to as the backbone of the European economy, providing a potential source for both jobs and economic growth. In June 2008 the European Commission adopted a Communication on SMEs referred to as the 'Small business act for Europe'. This aims to improve the overall approach to entrepreneurship, to irreversibly anchor the 'think small first' principle in policymaking from regulation to public

service, and to promote SMEs' growth by helping them tackle the remaining problems which hamper their development. The Communication sets out ten principles which should guide the conception and implementation of policies both at EU and national level to create a level playing field for SMEs throughout the EU and improve the administrative and legal environment to allow these enterprises to release their full potential to create jobs and growth. It also put forward a specific and far reaching package of new measures including four legislative proposals which translate these principles into action both at EU and Member State level.

Figure 7.1: Breakdown of number of enterprises within the non-financial business economy, EU-27, 2007 (1)
(%)



(1) The total number of enterprises in the EU-27 non-financial business economy was estimated as 20.9 million in 2007; manufacture of office machinery and computers, not available; estimates.
(2) 2006.

Source: Eurostat (ebd_all)

Table 7.1: Value added, 2007
(EUR 1 000 million)

	Mining & quarrying	Manufacturing	Elec., gas & water supply (1)	Construction	Distrib. trades	Hotels & restaur.	Trans., storage & communication	Real estate, renting & business activities
EU-27	92.49	1 812.96	*215.97*	561.99	1 183.56	195.45	687.26	1 396.60
Belgium	0.32	51.67	6.17	12.31	35.63	3.79	20.00	33.85
Bulgaria	0.60	4.73	1.10	1.75	3.04	0.40	2.22	1.71
Czech Republic	1.55	29.71	4.90	6.05	13.00	1.30	8.60	10.85
Denmark	7.16	29.23	2.54	11.08	24.09	2.54	15.35	30.55
Germany	6.47	484.55	46.83	57.97	216.15	24.96	122.47	267.09
Estonia	0.12	2.28	0.37	1.12	1.99	0.19	1.08	1.40
Ireland	1.08	36.87	2.07	7.95	18.45	3.76	8.31	16.76
Greece	1.02	16.81	2.71	6.21	24.89	3.85	9.62	10.77
Spain	2.60	136.27	17.49	101.15	113.35	26.67	62.81	114.96
France	4.40	222.65	25.88	75.77	159.99	30.19	100.28	221.83
Italy	7.44	233.47	21.32	70.71	121.24	25.49	76.49	117.52
Cyprus	0.05	1.20	0.31	1.38	1.96	1.00	1.20	*1.41*
Latvia	0.06	2.13	0.52	1.44	2.80	0.25	1.80	1.94
Lithuania	0.11	3.13	0.69	1.81	3.24	0.21	1.89	1.74
Luxembourg	0.04	3.64	0.28	1.69	2.82	0.50	2.84	5.54
Hungary	0.06	18.75	2.47	2.62	9.19	0.84	6.54	7.57
Malta	:	:	:	:	:	:	:	:
Netherlands	6.88	63.66	7.32	25.86	64.79	7.07	34.92	71.85
Austria	0.87	48.32	5.69	13.64	28.35	6.66	16.02	27.92
Poland	6.79	54.08	9.67	*12.78*	*33.54*	*1.92*	*17.22*	*23.55*
Portugal	0.69	19.78	3.84	9.46	17.01	3.36	10.12	12.54
Romania	3.02	13.81	2.61	5.26	9.67	0.75	5.94	5.30
Slovenia	0.13	7.00	0.73	1.76	3.78	0.55	1.93	2.31
Slovakia	0.25	8.48	2.71	1.16	4.46	0.21	2.39	2.79
Finland	0.43	35.99	3.42	7.99	14.40	1.93	10.23	15.49
Sweden	1.76	57.22	6.86	14.85	31.99	3.95	18.02	44.85
United Kingdom	38.59	226.92	37.33	108.06	223.17	42.84	128.07	344.04
Norway	59.10	25.30	5.03	12.01	22.26	2.80	18.89	27.69

(1) EU-27, estimate made for the purpose of this publication; Ireland, 2006.

Source: Eurostat (ebd_all)

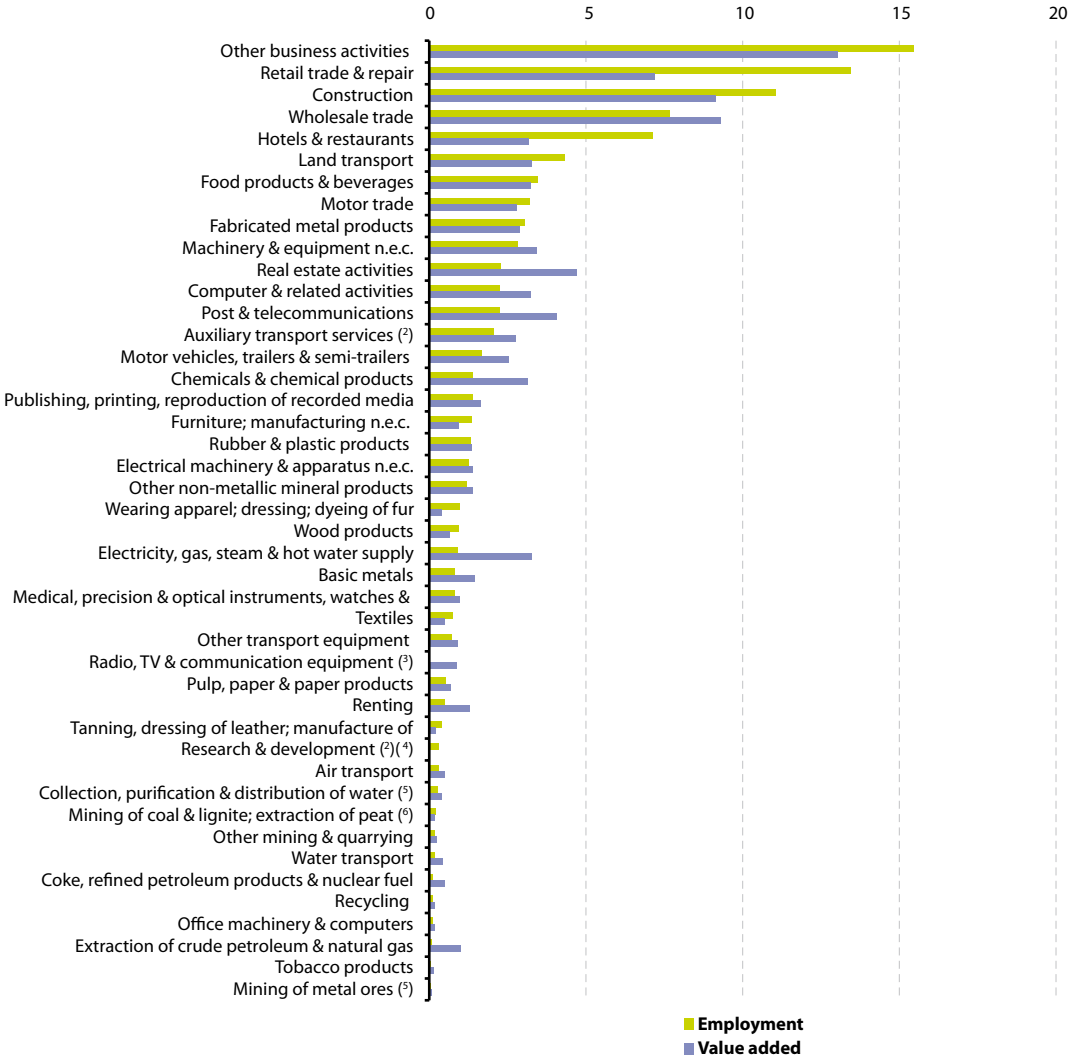
Table 7.2: Number of persons employed, 2007
(1 000)

	Mining & quarrying	Manufacturing	Elec., gas & water supply	Construction	Distrib. trades	Hotels & restaur.	Trans., storage & communication	Real estate, renting & business activities
EU-27	702	34 541	1 590	14 788	32 542	9 545	12 212	27 831
Belgium	3	611	25	272	640	172	247	570
Bulgaria	30	669	54	221	483	122	187	195
Czech Republic	42	1 384	55	402	705	157	345	524
Denmark	3	421	16	207	470	109	188	406
Germany	84	7 244	272	1 522	4 918	1 387	2 016	4 756
Estonia	5	132	8	59	101	21	47	71
Ireland (1)	7	224	9	71	339	157	95	249
Greece	14	407	23	305	990	298	236	364
Spain	39	2 545	75	2 881	3 413	1 283	1 096	2 929
France	30	3 601	195	1 724	3 368	931	1 626	3 630
Italy	43	4 604	115	1 964	3 523	1 174	1 254	2 913
Cyprus	1	37	2	37	67	41	24	22
Latvia	3	158	14	86	191	32	84	101
Lithuania	3	259	25	139	289	42	110	116
Luxembourg	0	37	1	38	43	15	26	57
Hungary	5	774	49	243	601	128	265	525
Malta	:	:	:	:	:	:	:	:
Netherlands	8	777	25	486	1 425	366	478	1 688
Austria	6	638	31	262	625	248	243	436
Poland	183	2 704	203	*797*	*2 282*	*237*	*794*	*1 049*
Portugal	13	818	24	515	871	287	195	638
Romania	93	1 508	127	513	1 032	134	399	484
Slovenia	4	241	12	80	116	33	59	79
Slovakia	9	424	36	74	214	24	109	132
Finland	4	413	15	147	271	56	164	241
Sweden	9	806	31	298	633	139	315	640
United Kingdom	60	3 072	152	1 431	4 897	1 931	1 600	4 994
Norway	39	272	15	173	369	89	174	282

(1) Electricity, gas and water supply, 2006.

Source: Eurostat (ebd_all)

Figure 7.2: Breakdown of non-financial business economy value added and employment, EU-27, 2007 (1)
(% of non-financial business economy value added and employment)



(1) Mining of uranium and thorium ores, not available; based on totals for the non-financial business economy estimated for the purpose of this publication.
(2) Employment, 2006.
(3) Employment, not available.
(4) Value added, not available.
(5) 2006.
(6) Value added, 2005.

Source: Eurostat (ebd_all)

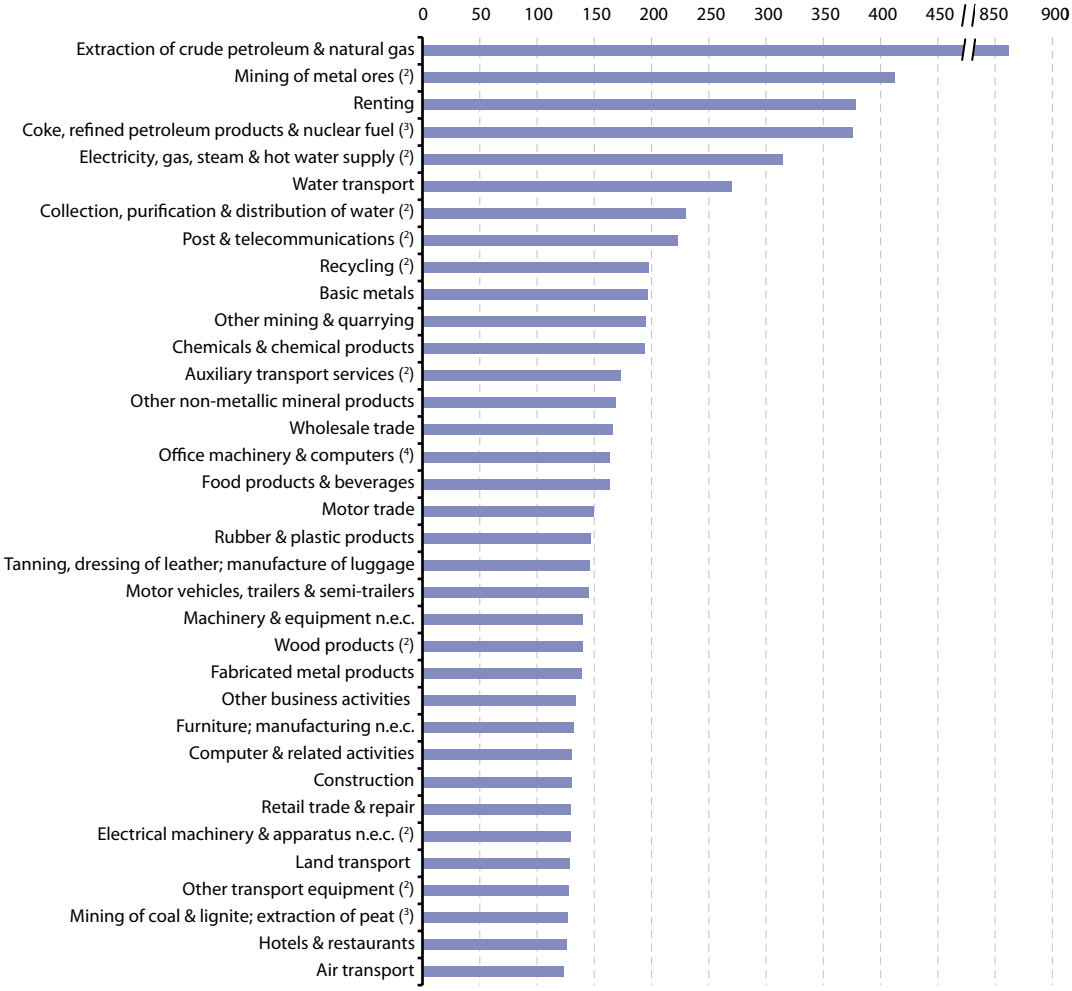
Table 7.3: Average personnel costs, 2007
(EUR 1 000 per employee)

	Mining & quarrying	Manufacturing	Elec., gas & water supply	Construction	Distrib. trades	Hotels & restaur.	Trans., storage & communication	Real estate, renting & business activities
EU-27	33.9	34.4	*43.0*	29.2	24.7	16.2	33.6	32.2
Belgium	48.8	53.0	94.5	38.7	40.2	17.7	48.4	46.0
Bulgaria	6.4	3.1	7.1	2.8	2.6	1.9	4.6	4.1
Czech Republic	16.3	12.2	17.7	12.1	11.9	7.3	13.6	14.7
Denmark	66.1	48.2	49.9	43.0	35.8	17.4	47.2	42.1
Germany	51.3	47.4	63.5	34.2	27.0	12.5	33.2	30.8
Estonia	13.1	10.6	13.3	12.3	10.8	6.8	12.0	11.4
Ireland (1)	54.8	45.9	92.9	49.3	31.1	19.3	47.7	42.2
Greece	44.7	27.6	54.2	17.3	19.2	15.0	32.2	22.2
Spain	35.1	32.7	54.7	28.2	24.4	18.5	33.1	25.1
France	46.5	45.4	63.6	38.8	35.8	27.4	41.6	43.6
Italy	50.3	35.6	52.5	29.7	30.0	20.9	38.8	30.2
Cyprus	31.8	20.7	44.1	24.4	20.6	16.7	27.1	*24.4*
Latvia	8.1	6.8	12.6	7.3	6.3	4.5	8.2	7.7
Lithuania	10.6	7.3	10.6	8.9	6.7	4.0	7.7	7.6
Luxembourg	47.2	50.7	80.0	36.7	37.5	25.5	52.9	45.8
Hungary	14.4	12.0	19.3	8.2	9.5	6.0	14.3	11.2
Malta	:	:	:	:	:	:	:	:
Netherlands	95.9	55.7	68.1	47.5	28.0	13.3	40.8	28.0
Austria	54.9	45.6	71.7	38.5	32.5	21.6	42.3	39.4
Poland	20.2	9.6	16.0	*9.0*	*7.7*	*5.6*	*10.7*	*10.5*
Portugal	17.9	14.8	38.3	12.6	12.8	9.1	24.4	12.3
Romania	13.0	5.2	10.2	4.9	4.3	3.4	7.1	5.5
Slovenia	28.2	18.5	27.1	15.7	18.6	13.0	20.8	20.8
Slovakia	11.1	10.1	14.9	8.9	9.8	6.0	11.4	11.5
Finland	43.8	46.8	53.4	40.5	35.5	28.3	41.4	42.3
Sweden	57.8	51.6	64.9	45.1	41.3	25.9	44.8	49.8
United Kingdom	83.8	43.1	51.0	42.2	26.4	14.6	44.9	40.2
Norway	134.6	62.9	69.7	57.3	42.0	27.9	55.0	62.0

(1) Electricity, gas and water supply, 2006.

Source: Eurostat (ebd_all)

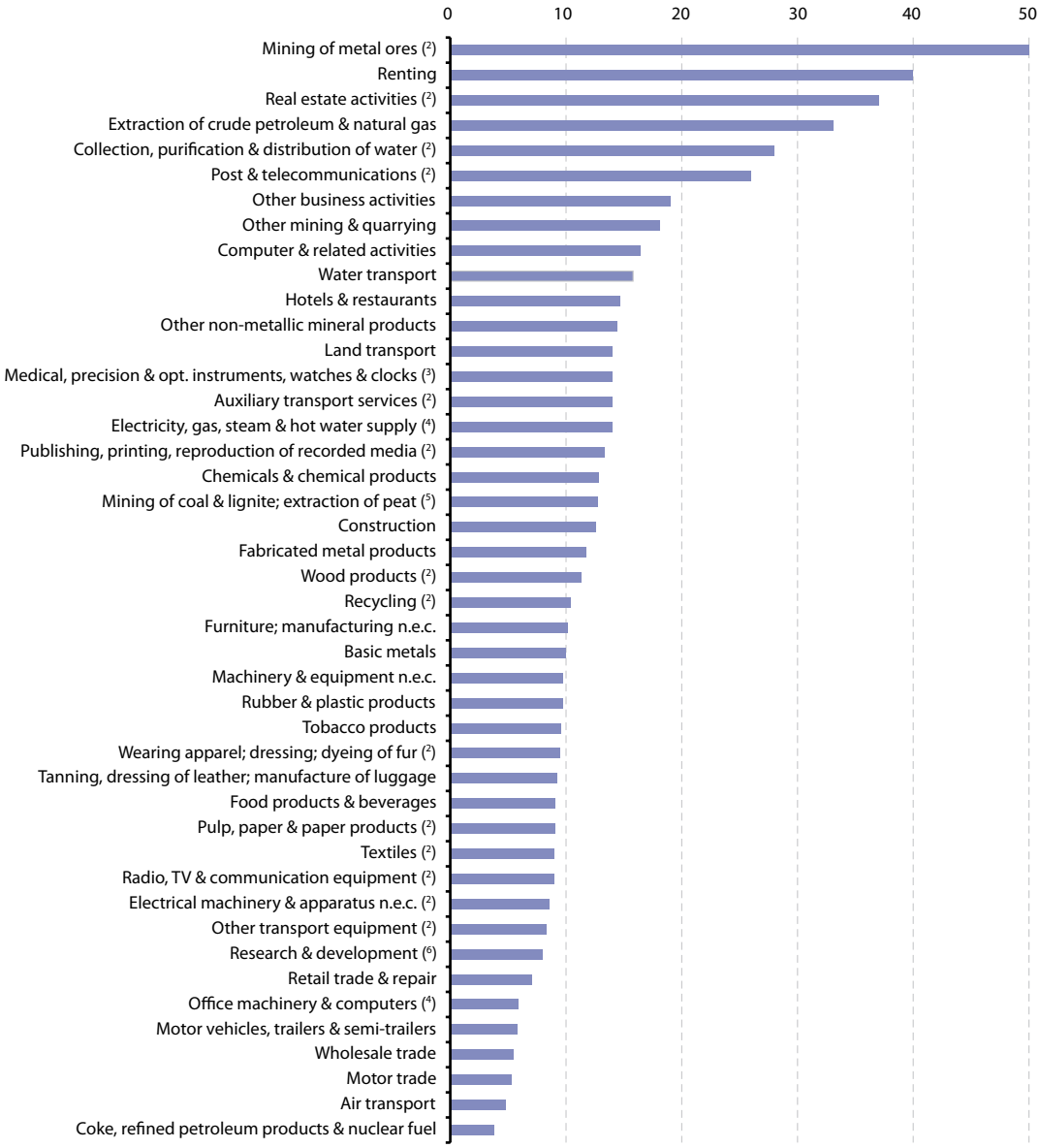
Figure 7.3: Wage adjusted labour productivity within the non-financial business economy, EU-27, 2007 (1)
(%)



(1) Mining of uranium and thorium ores, tobacco products, textiles, wearing apparel; dressing; dyeing of fur, pulp, paper & paper products, publishing, printing, reproduction of recorded media, radio, TV & communication equipment, medical, precision & optical instruments, watches & clocks, real estate activities, research & development, not available.
(2) 2006.
(3) 2005.
(4) Estimate, 2005.

Source: Eurostat (ebd_all)

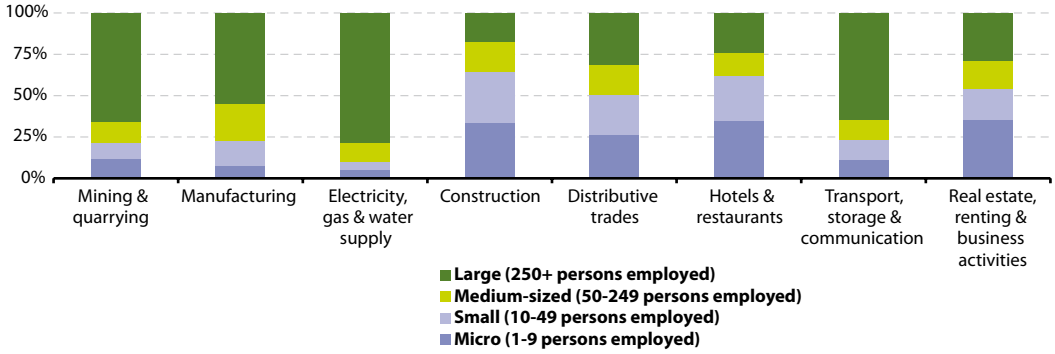
Figure 7.4: Gross operating rate within the non-financial business economy, EU-27, 2007 (1)
(%)



(1) Mining of uranium and thorium ores, not available.
(2) Estimate.
(3) Estimate, 2006.
(4) 2006.
(5) 2005.
(6) Estimate, 2005.

Source: Eurostat (ebd_all)

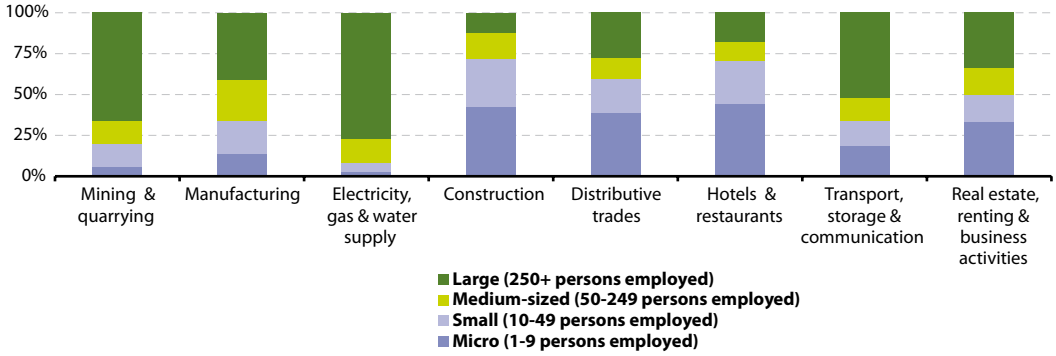
Figure 7.5: Value added breakdown by enterprise size-class, EU-27, 2007 (1)
(% of sectoral total)



(1) Estimates, including estimates made for the purpose of this publication.

Source: Eurostat (sbs_sc_2d_mi02, sbs_sc_2d_dade02, sbs_sc_2d_el02, sbs_sc_4d_co02, sbs_sc_3ce_tr02 and sbs_sc_1b_se02)

Figure 7.6: Employment breakdown by enterprise size-class, EU-27, 2007 (1)
(% of sectoral total)



(1) Estimates.

Source: Eurostat (sbs_sc_2d_mi02, sbs_sc_2d_dade02, sbs_sc_2d_el02, sbs_sc_4d_co02, sbs_sc_3ce_tr02 and sbs_sc_1b_se02)

Table 7.4: Value added by enterprise size-class, mining and quarrying and manufacturing, 2007 (1)

	Mining & quarrying: size class share in total value added (%)				Manufacturing: size class share in total value added (%)			
	Micro	Small	Medium-sized	Large	Micro	Small	Medium-sized	Large
EU-27	*11.9*	9.7	13.0	65.4	7.5	15.4	*22.6*	*55.2*
Belgium	12.6	:	:	:	5.7	13.6	21.8	58.9
Bulgaria	0.7	5.6	8.5	85.1	4.6	14.5	29.8	51.1
Czech Republic	0.5	3.1	6.7	89.7	7.7	11.1	23.9	57.2
Denmark (2)	74.3	14.8	9.5	1.4	6.5	14.8	25.5	53.3
Germany	4.3	15.5	14.0	66.2	3.4	10.3	21.3	65.0
Estonia	3.9	21.6	:	:	6.1	21.4	43.3	29.2
Ireland	4.2	13.7	19.2	62.9	2.0	6.7	21.8	69.5
Greece	7.5	21.8	17.5	53.2	31.7	10.8	20.6	36.9
Spain	11.5	42.1	30.3	16.0	9.9	23.2	24.2	42.7
France	7.5	28.0	15.7	48.8	8.8	15.2	19.4	56.6
Italy	5.6	14.9	6.8	72.7	13.9	28.6	25.9	31.7
Cyprus	9.6	90.4	0.0	0.0	23.6	34.6	28.3	13.5
Latvia	8.8	:	40.3	:	5.4	22.0	40.8	31.8
Lithuania	7.9	12.3	79.8	0.0	3.7	14.7	33.3	48.3
Luxembourg	6.6	:	:	0.0	2.8	6.4	17.9	72.9
Hungary	:	:	:	:	4.6	9.7	18.4	67.3
Malta	:	:	:	:	:	:	:	:
Netherlands	2.2	3.0	:	:	7.5	17.9	26.1	48.5
Austria	7.8	16.8	:	:	5.9	12.4	23.7	58.0
Poland	*0.8*	*1.5*	*6.4*	*91.4*	*7.7*	*9.0*	*25.1*	*58.1*
Portugal	:	24.0	17.4	:	9.5	22.9	31.9	35.7
Romania (3)	0.6	1.3	2.4	95.7	4.2	11.4	24.9	59.5
Slovenia	4.3	:	18.1	:	10.1	13.7	25.0	51.3
Slovakia	1.7	14.2	14.6	69.6	4.1	10.4	19.5	66.0
Finland	20.6	:	:	:	5.8	11.2	18.4	64.5
Sweden	4.2	5.5	3.6	86.7	5.8	11.9	19.6	62.6
United Kingdom	9.0	5.0	12.7	73.3	7.9	13.9	22.7	55.5
Norway	56.8	0.9	11.7	30.6	8.3	17.3	25.7	48.6

(1) Micro: 1-9 persons employed; small: 10-49 persons employed; medium-sized: 50-249 persons employed; large: 250+ persons employed.
(2) Mining and quarrying, 2006.
(3) 2006.

Source: Eurostat (sbs_sc_2d_mi02 and sbs_sc_4d_co02)

Table 7.5: Value added by enterprise size-class, electricity, gas and water supply and construction, 2007 (1)

	Electricity, gas & water supply: size class share in total value added (%)				Construction: size class share in total value added (%)			
	Micro	Small	Medium-sized	Large	Micro	Small	Medium-sized	Large
EU-27 (2)	5.2	5.0	11.2	78.6	33.7	30.6	18.5	17.2
Belgium	23.1	2.7	11.1	63.1	34.2	31.4	21.5	12.9
Bulgaria	0.2	7.4	9.2	83.2	19.7	27.3	32.8	20.1
Czech Republic	0.9	13.4	11.2	74.5	34.0	23.5	20.5	22.0
Denmark	36.0	9.7	12.0	42.2	30.9	35.4	17.7	16.1
Germany	:	:	:	:	28.5	39.4	21.3	10.8
Estonia	4.9	7.6	31.5	56.0	20.9	36.6	32.3	10.2
Ireland	:	:	:	:	:	:	:	:
Greece	0.0	2.7	3.2	94.1	44.9	29.2	16.1	9.8
Spain	7.5	5.1	9.6	77.9	33.2	32.4	19.5	14.9
France	2.1	1.6	2.6	93.7	38.4	31.5	13.2	16.9
Italy	5.7	9.4	6.0	78.9	52.0	32.5	10.1	5.4
Cyprus	0.0	17.3	:	:	26.0	32.0	19.2	22.9
Latvia	3.0	3.9	4.9	88.2	13.3	30.2	39.6	16.9
Lithuania	3.5	3.8	7.8	84.9	7.4	23.7	42.9	26.0
Luxembourg	4.1	:	:	:	14.2	34.8	37.7	13.2
Hungary	4.0	6.1	22.0	67.9	29.0	31.4	21.4	18.2
Malta	:	:	:	:	:	:	:	:
Netherlands	7.1	:	:	:	27.8	29.5	20.0	22.7
Austria	13.3	5.0	12.1	69.6	21.2	33.6	21.8	23.4
Poland	*0.5*	*2.7*	*21.5*	*75.3*	*36.7*	*17.0*	*25.3*	*21.0*
Portugal	:	2.7	10.1	:	30.1	30.2	22.0	17.8
Romania	0.3	2.8	6.3	90.6	19.6	21.9	32.8	25.7
Slovenia	0.6	:	24.2	:	29.8	26.2	22.6	21.4
Slovakia	0.2	2.5	9.6	87.7	16.7	29.5	29.9	23.8
Finland	7.5	14.2	30.2	48.1	38.2	25.5	13.9	22.4
Sweden	7.6	10.7	26.3	55.5	32.5	28.4	14.2	24.9
United Kingdom	2.7	1.8	4.9	90.7	29.2	24.8	19.9	26.2
Norway	10.0	18.5	41.7	29.9	31.5	32.4	14.5	21.5

(1) Micro: 1-9 persons employed; small: 10-49 persons employed; medium-sized: 50-249 persons employed; large: 250+ persons employed.
(2) Electricity, gas and water supply, 2006.

Source: Eurostat (sbs_sc_2d_el02 and sbs_sc_4d_co02)

Table 7.6: Value added by enterprise size-class, distributive trades and transport, hotels and restaurants, 2007 (1)

	Distributive trades: size class share in total value added (%)				Hotels & restaurants: size class share in total value added (%)			
	Micro	Small	Medium-sized	Large	Micro	Small	Medium-sized	Large
EU-27	26.5	24.4	18.2	30.9	*34.8*	*27.0*	14.1	24.1
Belgium	26.9	29.0	18.6	25.5	47.8	28.8	9.5	13.9
Bulgaria	25.7	35.0	23.7	15.7	17.9	26.1	36.5	19.5
Czech Republic	29.3	28.0	21.2	21.6	40.5	22.4	19.9	17.3
Denmark	21.4	29.3	22.5	26.9	28.8	31.4	21.0	18.9
Germany	17.6	25.4	21.1	35.9	32.3	34.2	16.9	16.5
Estonia	27.7	33.4	23.2	15.6	15.5	37.5	35.0	12.0
Ireland	16.6	37.0	23.3	23.1	17.9	33.0	36.6	12.5
Greece	40.5	29.5	16.5	13.6	43.8	30.4	16.0	9.8
Spain	33.3	24.2	16.6	25.9	39.5	26.0	16.4	18.2
France	27.4	24.7	16.4	31.5	42.7	27.7	7.8	21.8
Italy	47.4	25.7	12.1	14.8	48.4	30.0	9.1	12.6
Cyprus	34.6	30.1	25.5	9.8	33.0	22.6	29.7	14.6
Latvia	22.4	35.2	25.9	16.4	16.7	28.2	35.3	19.8
Lithuania	16.2	31.0	25.9	26.9	11.4	35.0	35.2	18.4
Luxembourg	33.5	30.1	22.9	13.6	40.5	:	9.9	:
Hungary	28.6	26.4	26.1	19.0	28.6	25.7	19.9	25.9
Malta	:	:	:	:	:	:	:	:
Netherlands	24.9	27.3	23.1	24.7	40.5	26.9	11.1	21.5
Austria	22.1	26.3	21.7	29.9	41.8	33.6	17.0	7.5
Poland	*31.8*	*19.6*	*22.8*	*25.8*	*32.8*	*17.1*	*19.5*	*30.6*
Portugal	31.7	28.5	18.2	21.5	35.6	26.8	19.6	18.0
Romania	23.8	28.7	25.0	22.5	15.1	31.8	25.7	27.4
Slovenia	28.1	27.3	21.0	23.6	31.9	23.0	20.7	24.5
Slovakia	33.0	35.9	15.7	15.4	:	37.9	38.9	:
Finland	26.5	23.5	16.7	33.3	35.1	23.4	14.3	27.1
Sweden	22.7	25.8	20.1	31.4	34.4	31.2	16.6	17.8
United Kingdom	19.6	17.4	15.9	47.1	18.8	19.0	13.8	48.4
Norway	24.9	30.6	19.0	25.5	21.1	36.2	24.2	18.5

(1) Micro: 1-9 persons employed; small: 10-49 persons employed; medium-sized: 50-249 persons employed; large: 250+ persons employed.

Source: Eurostat (sbs_sc_3ce_tr02 and sbs_sc_1b_se02)

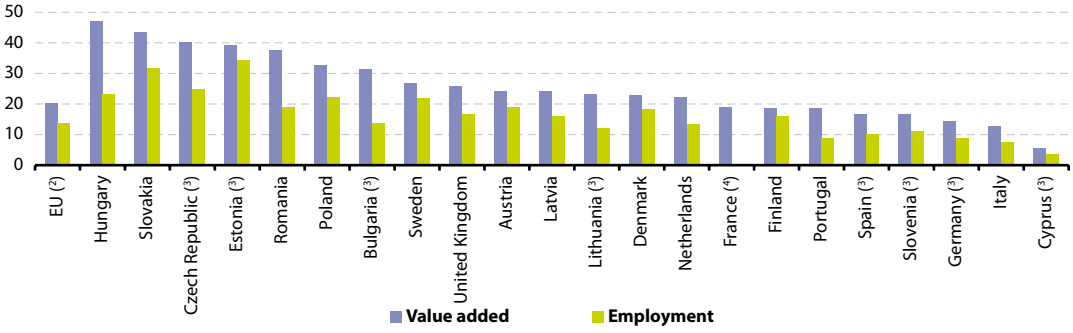
Table 7.7: Value added by enterprise size-class, transport, storage and communication and real estate, renting and business activities, 2007 (1)

	Transport, storage & communication: size class share in total value added (%)				Real estate, renting & business activities: size class share in total value added (%)			
	Micro	Small	Medium-sized	Large	Micro	Small	Medium-sized	Large
EU-27	11.2	12.1	12.1	64.5	35.5	*18.9*	17.0	*28.6*
Belgium	10.0	19.4	15.2	55.4	29.1	18.2	17.8	35.0
Bulgaria	8.7	10.4	11.9	68.9	46.2	27.4	15.7	10.7
Czech Republic	12.3	8.8	9.4	69.5	43.2	20.7	21.3	14.8
Denmark	14.9	15.1	15.7	54.2	38.8	21.2	16.3	23.7
Germany	9.9	14.9	14.5	60.8	36.7	19.5	19.0	24.7
Estonia	11.6	19.5	32.3	36.6	44.9	26.5	18.0	10.6
Ireland	12.0	10.8	10.0	67.2	32.0	23.5	17.8	26.7
Greece	22.5	13.4	6.7	57.4	45.1	21.8	15.4	17.8
Spain	20.4	12.9	11.4	55.2	42.5	19.2	14.4	24.0
France	6.2	9.4	9.3	75.2	32.7	18.8	15.8	32.7
Italy	12.2	12.2	10.9	64.7	53.0	17.0	10.4	19.6
Cyprus (2)	12.0	11.6	15.0	61.4	56.7	21.3	12.7	9.2
Latvia	10.0	21.5	18.7	49.8	47.1	30.1	14.9	7.9
Lithuania	7.6	21.1	23.9	47.4	40.6	27.7	22.6	9.1
Luxembourg	12.0	11.9	15.8	60.1	49.5	20.0	14.2	16.2
Hungary	10.6	11.0	12.7	65.7	42.5	22.4	19.4	15.7
Malta	:	:	:	:	:	:	:	:
Netherlands	10.8	14.1	16.9	58.2	28.3	21.6	20.3	29.9
Austria	7.6	14.0	19.4	59.0	39.0	22.2	22.2	16.7
Poland	*12.9*	*6.4*	*11.2*	*69.4*	*48.8*	*12.7*	*19.2*	*19.4*
Portugal	10.0	15.5	14.3	60.2	40.9	19.9	18.5	20.6
Romania	8.9	9.8	10.6	70.7	35.4	24.7	21.6	18.4
Slovenia	20.1	13.3	11.9	54.7	46.0	28.1	16.4	9.5
Slovakia	5.3	7.9	11.4	75.4	36.1	26.8	19.9	17.2
Finland	23.2	13.4	11.7	51.7	32.9	20.4	18.8	27.9
Sweden	16.2	14.6	14.0	55.2	35.8	19.3	17.0	27.9
United Kingdom	9.2	9.3	9.8	71.8	27.3	17.7	17.6	37.4
Norway (2)	29.1	11.1	11.0	48.8	45.5	18.6	15.8	20.0

(1) Micro: 1-9 persons employed; small: 10-49 persons employed; medium-sized: 50-249 persons employed; large: 250+ persons employed.
(2) Real estate, renting and business activities, 2006.

Source: Eurostat (sbs_sc_1b_se02)

Figure 7.7: Share of value added and employment accounted for by foreign controlled enterprises, non-financial business economy, 2007 (1)
(%)



(1) Belgium, Ireland, Greece, Luxembourg and Malta, not available.
(2) Weighted average based on the latest data available for those countries shown in the graph.
(3) 2006.
(4) Value added, 2006; employment, not available.

Source: Eurostat (fats_g1a_03)

Table 7.8: Enterprise demography, business economy, 2007 ([1])

	Enterprise birth rates (% of enterprise births among active enterprises)	Enterprise death rates (% of enterprise deaths among active enterprises) ([2])	Enterprise survival (% of enterprise births of year n-2 which are still active in year n) ([3])
Belgium	7.0	5.2	:
Bulgaria	15.1	*9.2*	51.3
Czech Republic	9.5	*12.1*	64.9
Denmark	12.9	9.9	66.2
Germany	9.5	9.5	62.3
Estonia	13.2	7.0	77.6
Ireland	:	:	:
Greece	:	:	:
Spain	9.6	6.2	73.4
France	10.1	7.1	80.7
Italy	8.4	7.7	74.7
Cyprus	3.3	1.7	90.9
Latvia	11.1	4.4	71.1
Lithuania	24.7	*18.8*	55.4
Luxembourg	10.4	8.0	77.9
Hungary	9.0	*11.8*	61.6
Malta	:	:	:
Netherlands	13.3	*6.9*	65.0
Austria	7.5	6.6	78.3
Poland	:	:	:
Portugal	13.8	*15.3*	53.7
Romania	15.6	*8.7*	75.9
Slovenia	10.2	6.2	84.2
Slovakia	13.3	*14.3*	65.9
Finland	10.1	7.5	73.0
Sweden	7.4	5.8	86.2
United Kingdom	14.3	9.9	79.6
Norway	10.3	*6.7*	66.7
Switzerland	:	:	70.7

([1]) Covers the business economy (NACE Rev. 1.1 Sections C to K) excluding holdings (NACE Rev. 1.1 Class 74.15); Romania, sole proprietorships are not covered.
([2]) 2006, except France, 2007.
([3]) Slovenia, 2006; Switzerland, 2005.

Source: Eurostat (tsier150)

7.2 Industrial production

This subchapter examines recent statistics on industrial production in the European Union (EU). Prodcom is the name given to the system of industrial production statistics which covers mining and quarrying and manufactured products.

Main statistical findings

Prodcom covers mining and quarrying as well as manufacturing, in other words, NACE Rev. 2 Sections B and C. Prodcom statistics are based on a list of products called the Prodcom List which consists of about 4 000 headings and is revised every year. Products are detailed at an 8-digit level – only information at this level can be found in the Prodcom database, as production data for different products cannot be meaningfully aggregated. The purpose of Prodcom statistics is to report, for each product in the Prodcom List, how much has been produced in the reporting country during the reference period. This means that Prodcom statistics relate to products (not to activities) and are therefore not strictly comparable with activity-based statistics such as structural business statistics.

Prodcom information is currently requested for each heading in terms of the value of production sold during the survey period. Table 7.9 shows the level of production in the EU-27 for a selection of products. As can be seen, transport equipment products dominated the list of the most sold manufacturing products in the EU-27 in value terms in 2009, occupying the top place with a number of further products among the top 15 shown.

As well as data by value, information on the physical quantity (also referred to as volume) of production sold during the survey period is also requested. Table 7.10 shows the quantity of production for a selection of products. In certain circumstances this information can be supplemented by the physical quantity of actual production during the survey period, including therefore any production which is used (as an intermediate product) by the enterprise in the manufacture of other products.

Data sources and availability

The Prodcom List is linked to the activity classification NACE and to the classification of products by activity (CPA): the first four digits of each Prodcom code refer to a NACE class, the fifth and sixth digits relate to a CPA subcategory, and the seventh and eighth digits are specific to the Prodcom List. Most headings correspond to one or more combined nomenclature (CN) codes: some headings (mostly industrial services) do not correspond to a CN heading at all.

The production surveyed covers only the production actually carried out on the territory of the declaring country. This means that the production of subsidiaries which takes place outside an

enterprise's territory is not included in the survey for that country. As a general principle, when a production process takes as an input a material that does not match the description of the product, and produces as an output something that does, then production of the product should be recorded. On the other hand, if the processing merely works on a product without changing the heading under which it is classified, it should not be recorded, since this would result in double-counting. This means that the link to turnover is tenuous, since some activity does not result in new products and should not be recorded in Prodcom.

Prodcom data are available for all of the EU Member States, Iceland, Norway and Croatia, and Eurostat produces aggregates for the EU-27 and the EU-25. Data are available during the year following the reference year, with the first release by Eurostat normally in July. As more complete and revised data becomes available updates are released on a monthly basis.

Context

The development of Prodcom dates back to 1985 when there were the first meetings of a working party on production statistics, whose objective was to harmonise the various ways industrial production statistics were collected in the Member States. Although statistics were collected on production in most countries, these covered the national situation, and national classifications were used and different survey methods applied. The basis of Prodcom is to enable these national statistics to be compared and where possible aggregated geographically to give a picture of the output of a product in the European context. This aim became more urgent with the creation of the single market in 1992, and with rapid changes occurring in Europe, the statistical system had to adapt to these changes.

Table 7.9: Production sold in value terms, selected products, EU-27, 2009

PRODCOM code	Product	Value (EUR million)	Rounding base (million) (1)
29.10.22.30	Motor vehicles with a petrol engine > 1 500 cm^3	83 753	
21.20.13.80	Other medicaments of mixed or unmixed products, p.r.s., n.e.c.	60 154	
29.10.23.30	Motor vehicles with a diesel or semi-diesel engine > 1 500 cm^3 but <= 2 500 cm^3	60 000	20 000
10.00.00.Z1	Prepared and preserved meat, meat offal or blood, including prepared meat and offal dishes	46 965	
29.32.30.90	Other parts and accessories, n.e.c., for vehicles of HS 87.01 to 87.05; parts thereof	42 000	6 000
29.10.21.00	Motor vehicles with a petrol engine <= 1 500 cm^3	36 262	
10.90.10.Z0	Preparations for animal feeds other than dog and cat food	35 618	
25.11.23.60	Other structures of iron or steel	32 667	
11.05.10.00	Beer other than non-alcoholic and low-alcohol beer, excluding alcohol duty	29 944	
10.71.11.00	Fresh bread	26 949	
29.32.20.90	Parts and accessories of bodies (including cabs), n.e.c.	24 744	
10.51.40.50	Grated, powdered, blue-veined and other non-processed cheese	24 000	3 000
30.30.50.90	Parts for all types of aircraft excluding propellers, rotors, under carriages, for civil use	21 607	
17.21.13.00	Cartons, boxes and cases, of corrugated paper or paperboard	21 213	
23.63.10.00	Ready-mixed concrete	20 742	

(1) Indicates the magnitude of the rounding employed to protect confidential cell (in the case of PRODCOM code 29.10.23.30, the confidential value lies within the range +/- EUR 20 000 million of the reported value).

Source: Eurostat, from http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database go to Data Navigation Tree/ Database by themes/Industry, trade and services/Statistics on the production of manufactured goods (prom)/NACE Rev. 2 (prodcom_n2)/Prodcom Annual Sold (NACE Rev. 2.) (DS-066341)

Table 7.10: Quantity of production sold, selected products, EU-27, 2009

PRODCOM code	Product	Quantity (1 000)	Rounding base (1 000) (1)	Unit
24.10.22.10	Flat semi-finished products (slabs) (of stainless steel)	89 764		kg
23.51.12.10	Portland cement	170 710 000		kg
11.02.11.30	Champagne (important: excluding alcohol duty)	165 128		l
20.42.11.50	Perfumes	12 303		l
20.11.11.70	Oxygen	23 723 810		m^3
16.10.23.03	Coniferous wood in chips or particles	34 483 920	60	kg
12.00.11.50	Cigarettes (excluding tobacco duty)	705 113 340		p/st
27.90.52.20	Fixed electrical capacitors, tantalum or aluminium electrolytic (excluding power capacitors)	6 643 576		p/st

(1) Indicates the magnitude of the rounding employed to protect confidential cell (in the case of PRODCOM code 16.10.23.03, the confidential value lies within the range +/- 60 000 kg of the reported value).

Source: Eurostat, from http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database go to Data Navigation Tree/ Database by themes/Industry, trade and services/Statistics on the production of manufactured goods (prom)/NACE Rev. 2 (prodcom_n2)/Prodcom Annual Sold (NACE Rev. 2.) (DS-066341)

7.3 Industry and construction

This subchapter examines recent statistics on the developments of both industry and construction in the European Union (EU). Short-term business statistics (STS) are provided in the form of indices that allow the rapid assessment of the economic climate within an economy. STS are presented as indices showing developments over time, and also as rates of change typically showing comparisons of a month or quarter with the preceding period, or the same period of the previous year. Unlike structural business statistics (SBS) (see Subchapter 7.1), STS do not provide information on levels such as the monetary value of output or the number of persons employed.

Main statistical findings

The EU-27's indices of industrial production and industrial output prices (based on the NACE Rev. 2 classification) show clearly the impact of the economic and financial crisis. Relatively stable growth over several years was interrupted in the second half of 2007 when the rate of increase of prices accelerated as the production index growth slowed and the month on month rate of change turned negative in February 2008. The domestic output price index peaked six months later than the production index, in July 2008. The fall in the production index lasted more than one year, returning to a positive rate of change in May 2009, while the domestic producer price index starting a run of sustained growth from May 2009 (see Figure 7.8).

The decline in the index of industrial production for the EU-27 from its relative peak in February 2008 was particularly steep, as the relative trough recorded in March 2009 was the lowest level for this index since December 1997. By contrast, although the index of industrial output prices in July 2009 was 8.0 % lower than at its relative peak a year earlier, it remained similar to the pre-economic and financial crisis level recorded in October 2007; in part, this continued to reflect the relatively high price of oil and associated energy-related and intermediate products.

The downturn was widespread within the EU, illustrated by the fact that every Member State recorded a lower index of industrial production in 2009 than in 2008, with falls ranging from -3.6 % in Poland to -25.9 % in Estonia, as shown in Table 7.11. Equally, the downturn was spread across the whole of the industrial economy: in 2009 there was growth recorded for a single industrial activity (at the NACE Rev. 2 division level) within the EU-27 as a whole, as the manufacture of pharmaceutical products and preparations rose 3.1 % compared with the year before. The downturn was so severe that, despite the output growth that most activities had experienced leading up to the crisis, average annual growth between 2004 and 2009 was negative for most activities (see Figure 7.9).

Although slightly less in magnitude, the length of the downturn in activity for construction within the EU was greater than in industry. The EU-27 index of pro-

duction for construction peaked in December 2006 and fell gradually for seven months. This initial downturn was followed by a slight, temporary recovery until January 2008, after which the index fell substantially, reaching a low in January 2010, just over three years after the initial downturn. Over this period the index of production for construction fell by a total of 15.6 % in the EU-27, deteriorating to a level not seen since May 1999.

The production index for buildings is the dominant subindex of the index of production for construction, and unsurprisingly followed a similar path to the overall index for construction, although the magnitude of the contraction from the end of 2006 to the beginning of 2010 was slightly greater, totalling -18.2 % in the EU-27 (see Figure 7.10). For civil engineering the developments were less clear cut. From March to November 2008 the EU-27 index of production for civil engineering fell in a similar manner to the index for building. However, there followed renewed growth through to April 2009, perhaps reflecting increased public spending in reaction to the economic and financial crisis. Civil engineering output remained stable through much of 2009, before contracting again between November 2009 and March 2010 after which the index remained relatively unchanged.

Data sources and availability

Short-term business statistics (STS) are compiled within the scope of the STS Regulation 1165/98 of 19 May 1998 concerning short-term statistics. Despite major changes brought in by the STS Regulation, and improvements in the availability and timeliness of indicators which followed its implementation, strong demands for further development were voiced, even as the STS Regulation was being adopted. The emergence of the European Central Bank (ECB) fundamentally changed expectations as regards STS. As a result, the STS Regulation was amended by Regulation 1158/2005 on 6 July 2005.

Indicators common to industry and construction include the production index and the labour input indices concerning employment, wages and salaries and hours worked. For industry there are additional STS indicators concerning turnover, new orders and output prices, all three of which are compiled as a total and also distinguishing between domestic and non-domestic markets, with a further analysis of non-domestic markets between euro area and non-euro area markets. For construction activities there is a distinction in the production index between building and civil engineering, additional indicators are collected on building permits, as well as construction cost and price indices.

The presentation of short-term statistics may take a variety of different forms. Gross or unadjusted indices are the basic form of an index. Working-day adjustment takes into account the calendar nature of a given month in order to adjust the index. The adjustment of working days is intended to adjust for calendar effects, whatever their nature. The number of working days for a given month depends on: the timing of certain public holidays (Easter can fall in

March or in April depending on the year); the possible overlap of certain public holidays and non-working days (1 May can fall on a Sunday); whether or not a year is a leap year, and other reasons. Seasonal adjustment, or the adjustment of seasonal variations aims, after adjusting for calendar effects, to take into account the impact of known seasonal factors that have been observed in the past. For example, in the case of the production index, annual summer holidays have a negative impact on industrial production. The trend is a slow variation over a long period of years, generally associated with the structural causes of the phenomenon in question. The cycle is a quasi-periodic oscillation. It is characterised by alternating periods of higher and lower rates of change possibly, but not always, involving expansion and contraction. Generally, if this irregular component of the time series is relatively important, the trend-cycle series is a better series for the analysis of longer-term past developments. However, this advantage is less clear when analysing very recent developments. This is because trend-cycle values for recent periods may have greater revisions than the equivalent seasonally adjusted values. Hence, the latter may be more appropriate for the analysis of very recent developments; this is particularly true around turning points.

Where relevant, the Member States are encouraged to transmit seasonally adjusted data and trend-cycle indices. If they do not, Eurostat calculates the seasonal adjustment. The Member States' national statistical authorities are responsible for data collection, and the calculation of national time series. Eurostat is responsible for the euro area and EU aggregations.

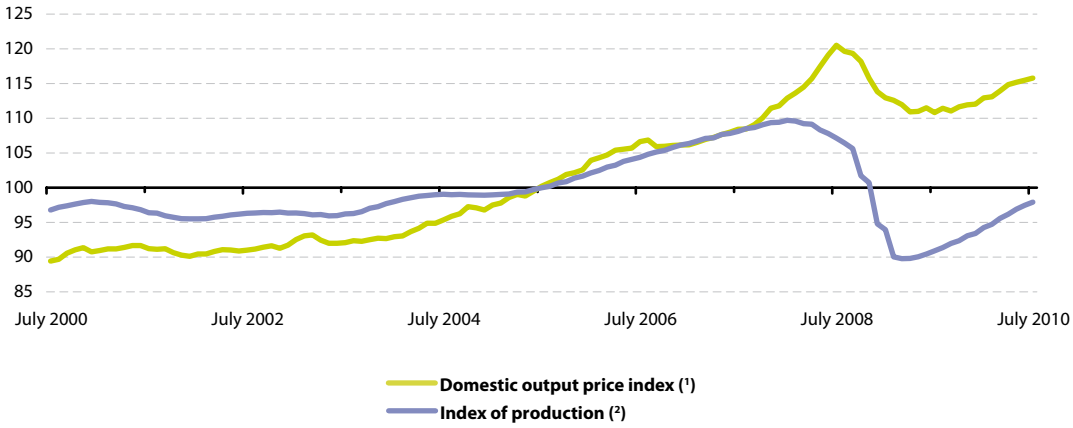
NACE Rev. 2 is the latest version of the statistical classification of economic activities and has been implemented in STS during 2009. This involved not just changing data compilation practices to use NACE Rev. 2 but also recalculating or estimating a time series in NACE Rev. 2, normally back to the year 2000. Simultaneously with the introduction of NACE Rev. 2, a new base year (2005) was adopted for STS indices to better reflect the economic structure; previously indices were presented with 2000 as the base year.

Context

The profile and use of STS is expanding rapidly, as information flows have become global and the latest news release for an indicator may have significant effects on global markets, or decisions that are taken by central banks and business leaders. STS are a key resource for those who follow developments in the business cycle, or for those who wish to trace recent developments within a particular industry, construction or service.

Some of the most important STS indicators are a set of Principal European Economic Indicators (PEEIs) that are essential to the ECB for conducting monetary policy within the euro area. Six PEEIs concern industrial and construction short-term business statistics, namely indices covering: industrial production, industrial new orders, domestic industrial producer prices, industrial import prices, production in construction, and building permits.

Figure 7.8: Production and domestic output price indices for industry (excluding construction), EU-27
(2005=100)



(1) Gross series; estimates, 2000-2004.
(2) Trend-cycle; estimates.

Source: Eurostat (sts_inppd_m and sts_inpr_m)

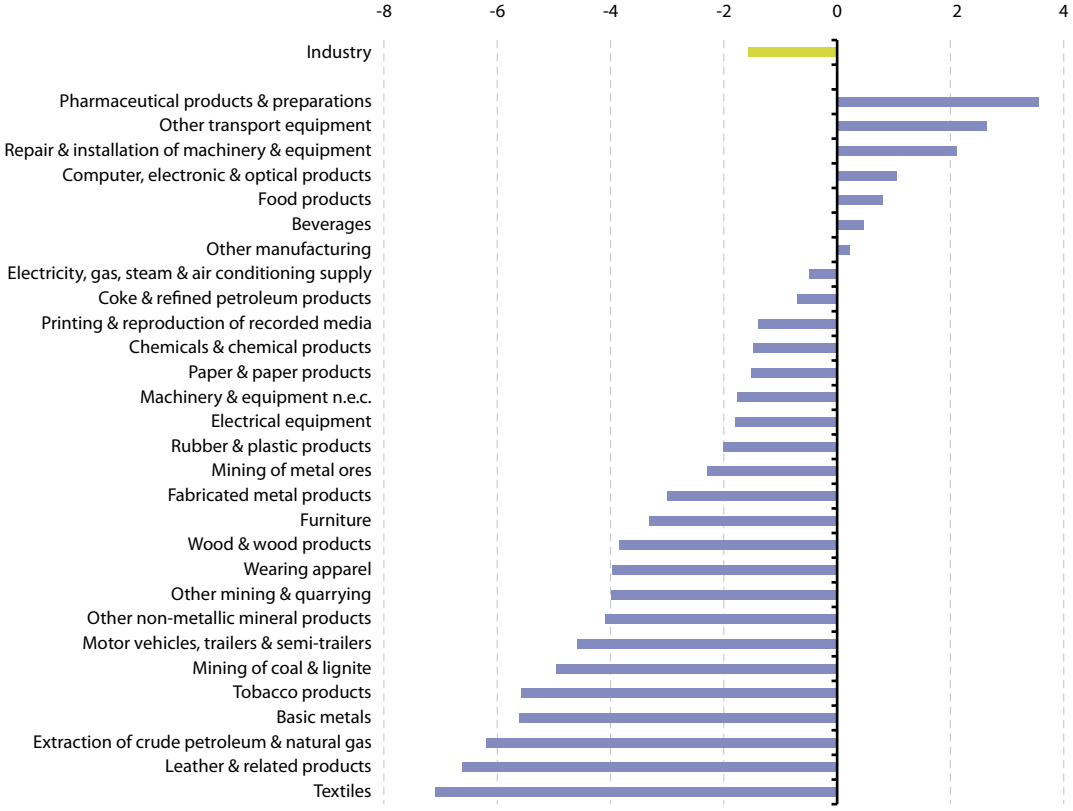
Table 7.11: Annual growth rates for industry (excluding construction)
(%)

	Index of production (1)					Domestic output price index (2)				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
EU-27	*1.3*	4.2	3.6	-1.8	-13.8	*5.1*	5.6	2.7	7.6	-4.4
Euro area (EA-16)	*1.4*	4.3	3.7	-1.8	-14.9	*4.1*	5.1	2.7	6.1	-5.1
Belgium	-0.9	5.0	2.9	-0.6	-13.9	5.7	5.8	2.1	9.3	-7.2
Bulgaria	7.2	6.2	9.5	0.4	-18.2	7.3	8.7	8.0	13.2	-4.3
Czech Republic	*4.3*	*8.7*	*10.6*	*-2.4*	*-13.1*	3.1	1.5	4.1	4.5	-3.2
Denmark	2.7	4.1	-2.1	-1.1	-15.1	9.2	7.9	1.6	13.2	-6.7
Germany	3.5	5.7	6.0	-0.0	-16.3	4.4	5.4	1.3	5.4	-4.1
Estonia	11.1	10.2	6.4	-4.8	-25.9	1.7	4.3	9.6	9.6	-0.3
Ireland	3.9	3.2	5.2	-2.2	-4.5	*2.3*	*3.6*	*2.4*	*6.1*	*-3.6*
Greece	-1.6	0.8	2.3	-4.2	-9.2	5.9	7.3	4.1	10.0	-5.8
Spain	0.8	3.9	2.0	-7.3	-15.8	4.7	5.4	3.6	6.6	-3.4
France	0.3	1.3	1.3	-2.8	-12.3	3.1	3.8	2.8	5.6	-6.4
Italy	-0.7	3.6	1.8	-3.5	-18.4	*4.0*	5.2	3.3	5.8	-5.4
Cyprus	1.0	0.6	4.3	3.9	-8.7	4.9	5.3	3.6	11.7	-1.8
Latvia	7.4	6.5	0.9	-3.9	-15.8	7.1	9.6	18.6	15.7	-1.8
Lithuania	7.1	6.5	2.4	5.5	-14.6	5.9	6.9	9.4	15.8	-6.7
Luxembourg	2.8	2.4	-0.6	-5.3	-15.8	3.6	12.8	4.4	15.1	-9.2
Hungary	7.3	10.6	8.0	-1.0	-17.4	6.1	8.4	6.5	11.6	1.2
Malta	:	:	:	:	:	:	17.9	-3.7	14.8	9.3
Netherlands	*0.5*	*1.5*	*2.3*	*1.4*	*-7.6*	7.0	8.6	5.3	8.9	-9.8
Austria	4.3	7.4	5.9	1.1	-11.9	3.4	2.1	4.1	4.8	*-1.8*
Poland	4.4	12.2	9.5	2.0	-3.6	*2.5*	3.4	4.0	5.4	*2.4*
Portugal	-3.5	3.2	0.1	-4.1	-8.6	:	4.4	2.9	5.2	-3.8
Romania	-2.7	9.8	10.1	2.6	-5.9	10.8	10.3	8.4	12.8	2.1
Slovenia	4.6	6.3	7.4	1.6	-17.6	2.8	2.4	5.5	5.6	-0.4
Slovakia	1.0	15.7	16.9	3.1	-13.7	3.7	6.3	1.8	6.2	-2.7
Finland	-0.6	10.1	4.8	1.0	-21.1	4.3	6.3	3.9	8.6	-6.3
Sweden	2.2	3.6	3.9	-2.9	-17.9	3.9	6.1	3.6	6.1	-0.3
United Kingdom	-1.1	0.5	0.3	-3.1	-10.0	11.1	8.6	1.7	16.0	-2.9
Norway	-0.4	-2.1	-1.3	0.3	-3.6	6.1	8.6	-0.6	15.2	-1.8
Switzerland	*2.7*	*7.8*	*9.5*	*1.2*	*-7.7*	1.6	2.7	2.5	4.2	-2.4
Croatia	5.0	4.3	5.0	0.7	-8.9	2.7	2.7	3.4	8.3	-0.5
Turkey	*5.7*	*7.3*	*6.9*	*-0.6*	*-9.8*	*7.1*	*9.8*	*6.0*	*13.0*	*1.0*
Japan	*1.4*	*4.4*	*2.8*	*-3.3*	*-21.7*	:	:	:	:	:
United States	*3.3*	*2.3*	*1.5*	*-2.3*	*-9.8*	:	:	:	:	:

(1) Working day adjusted.
(2) Gross series.

Source: Eurostat (sts_inprgr_a and sts_inppdgr_a)

Figure 7.9: Average annual growth rate for the industrial index of production, EU-27, 2004-2009 ([1]) (%)



([1]) Working day adjusted; mining support service activities, not available.

Source: Eurostat (sts_inprgr_a)

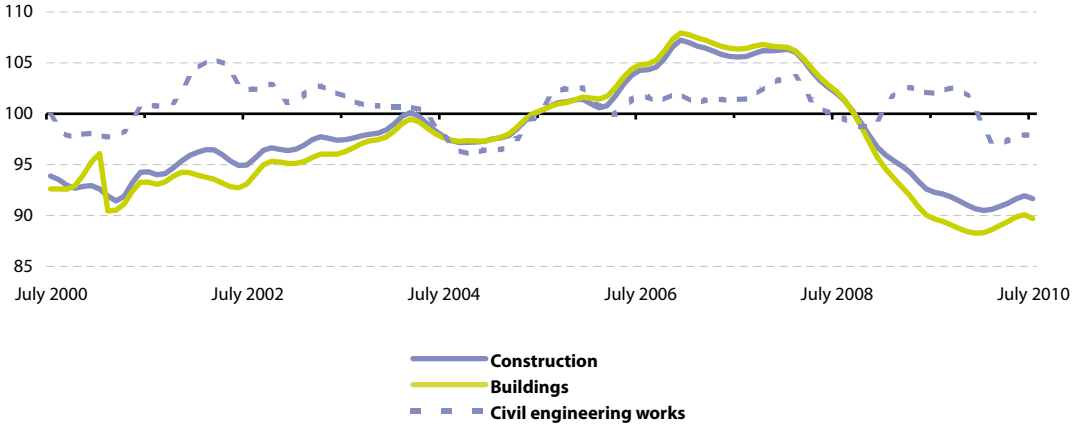
Table 7.12: Annual growth rates for construction
(%)

	Index of production (1)					Construction costs index (2)				
	2005	2006	2007	2008	2009	2005	2006	2007	2008	2009
EU-27	1.7	3.6	2.2	-3.7	-8.9	3.9	4.7	4.4	3.3	-1.5
Euro area (EA-16)	1.9	3.7	1.3	-5.3	-8.2	3.4	4.7	4.2	3.9	0.1
Belgium	*-3.4*	*3.3*	*2.3*	*-1.2*	*-6.7*	2.9	4.9	4.5	2.5	-1.1
Bulgaria	31.9	24.1	27.7	26.5	*-34.8*	8.3	5.6	7.7	*12.3*	*10.9*
Czech Republic	5.4	6.4	7.0	-0.5	-0.4	3.8	2.1	4.8	3.5	-0.3
Denmark	3.0	4.3	3.4	-5.5	-16.8	2.4	4.7	6.4	2.9	-0.4
Germany	-5.3	6.3	2.9	-0.7	0.1	1.7	2.4	3.3	3.2	0.1
Estonia	22.4	26.9	13.5	-13.3	-28.4	6.2	10.5	12.7	3.5	-8.5
Ireland	9.9	2.9	-13.2	-29.6	-36.4	8.7	9.6	1.7	-7.7	-9.9
Greece	-38.7	3.6	14.3	7.7	-20.4	3.4	4.3	4.6	5.1	-0.3
Spain	*10.1*	*2.2*	*-4.3*	*-16.3*	*-11.0*	4.6	6.9	5.0	4.7	1.0
France	2.8	4.2	2.4	-3.7	-5.9	*2.3*	*5.3*	*4.6*	*5.5*	*0.4*
Italy	1.2	3.9	6.5	-0.3	-11.5	4.0	2.8	3.7	3.8	:
Cyprus	2.9	4.1	6.8	2.3	-10.7	4.5	5.0	5.0	8.0	0.8
Latvia	15.5	13.3	13.6	-3.1	-34.9	*11.8*	*19.5*	31.6	15.6	-6.2
Lithuania	9.9	21.7	22.2	4.1	-48.5	8.3	10.7	16.1	9.5	-14.5
Luxembourg	-0.9	2.5	2.6	-1.9	1.0	3.0	2.9	2.9	3.2	1.4
Hungary	15.7	-0.7	-14.0	-5.2	-4.4	*3.3*	*6.2*	*7.2*	*7.5*	*3.0*
Malta	4.3	8.3	1.8	2.3	*-2.0*	:	:	:	:	:
Netherlands	3.4	2.6	6.3	3.7	*-5.9*	1.4	3.2	4.0	4.3	0.3
Austria	4.9	5.9	3.9	-0.9	-1.9	2.1	4.6	4.5	5.2	*0.6*
Poland	9.4	15.5	16.3	10.1	4.5	3.0	1.5	6.7	6.8	0.2
Portugal	-4.5	-6.3	-4.0	-1.2	-6.6	2.0	3.0	3.4	5.2	-0.7
Romania	6.5	15.6	33.1	26.7	-15.2	*14.3*	*11.1*	*10.2*	*16.2*	*1.5*
Slovenia	2.0	15.7	18.5	15.5	-20.9	4.5	6.5	6.3	6.4	-2.8
Slovakia	14.5	15.7	5.3	11.6	-11.2	4.9	4.0	4.1	5.8	2.1
Finland	*5.2*	*7.8*	*10.2*	*4.1*	*-13.0*	3.4	3.8	5.9	3.9	-1.1
Sweden	3.0	8.0	6.2	4.2	-3.5	3.9	5.1	6.1	4.9	2.0
United Kingdom	-0.5	1.4	2.3	-1.3	*-11.6*	5.4	4.6	4.2	0.2	*-7.5*
Norway	9.1	6.1	5.7	2.7	-0.3	3.4	3.8	7.4	5.7	2.3
Switzerland	*3.4*	*3.6*	*0.5*	*0.5*	*2.1*	:	:	:	:	:
Croatia	-0.4	9.5	2.8	12.0	-7.0	:	:	:	:	:
Turkey	:	18.4	5.5	-7.6	-16.3	*9.9*	*16.0*	*8.4*	*13.6*	*-4.3*

(1) Working day adjusted.
(2) Gross series for new residential buildings.

Source: Eurostat (sts_coprgr_a and sts_copigr_a)

Figure 7.10: Index of production, construction, EU-27 (1)
(2005=100)



(1) Trend-cycle; estimates.

Source: Eurostat (sts_copr_m)

7.4 Services

This subchapter examines recent statistics on the developments of service activities in the European Union (EU). Short-term business statistics (STS) are provided in the form of indices that allow the rapid assessment of the economic climate within an economy. Traditionally, short-term business statistics were concentrated on industrial and construction activities, and to a lesser extent retail trade. Since the middle of the 1990s, major developments in official statistics within the EU have seen short-term data collection efforts focus increasingly on services.

Main statistical findings

The EU-27 services turnover index grew at an average rate of 2.7 % between 2004 and 2009 (see Figure 7.11). It should be noted, however, that this five-year range covers a period of relatively steady growth in turnover which came to an abrupt end in mid-2008, followed by a period of slower growth and in some cases falling turnover. In fact the services turnover index fell by 8.5 % in the EU-27 in 2009 compared with the year before. Every Member State (Belgium and Italy, not available) recorded a fall in this index in 2009, ranging from -1.2 % in Poland to in excess of -20 % in each of the Baltic Member States – with Latvia recording a fall of 30.6 %.

Among service activities (at the NACE Rev. 2 division level), the fastest rate of turnover growth in the five-year period between 2004 and 2009 was for employment activities, where sales grew at an average rate of 7.1 % per annum, followed by air transport (6.8 % per annum). In contrast, there was a negative rate of change for motor trades (-0.7 % per annum) and almost no growth for cinema, video and TV production activities (0.1 % per annum). In 2009 (compared with the year before) the EU-27 turnover index fell for all six NACE Rev. 2 service sections covered by STS, ranging from a 3.2 % reduction for information and communication to losses of nearly 10 % for distributive trades and for transport and storage.

While the turnover index shows developments in current prices, the volume of retail sales indicates developments once price changes have been removed. The decline in the volume of retail sales in 2009 reached -1.7 % in the EU-27, following on from a relatively small increase of 0.2 % in 2008 (see Table 7.14). The fall in sales in 2009 was reported across most of the EU Member States: only six countries reported year on year growth, reaching 2 % or higher in Poland, Luxembourg and Austria. In contrast, the volume of retail sales index fell by 10 % or more in seven Member States, most notably in the three Baltic Member States with Latvia recording a fall of 28.0 %. A monthly series of the index shows the volume of retail sales peaked in the EU-27 in January 2008 and fell a total of 2.1 % through to August 2009, after which the index returned to positive rates of change. Throughout this period of decline, there was no significant reduction in the volume of retail sales index for textiles, clothing, footwear and leather in specialised stores, nor for the index for medical goods, cosmetics and toiletries, although in some periods the rate of change was around zero. In contrast, the volume of sales index for

retailing of household equipment fell 6.6 % between February 2008 and May 2009, while the retailing of computers and telecommunications equipment recorded a decline of 2.3 % between April 2008 and January 2010. A similar decrease was recorded for the retailing of food, beverages and tobacco between August 2007 and February 2009, however, in this activity the index remained stable through to July 2010, recording 17 consecutive months of almost unchanged sales in volume terms.

Data sources and availability

Short-term business statistics (STS) on services are compiled within the same methodological framework as short-term statistics on industry and construction. Subchapter 7.3 on short-term developments in industry and construction provides information on: the STS Regulation; the different forms of presentation of indices, namely gross, working-day adjusted, seasonally adjusted, and trend; the implementation of NACE Rev. 2; and the exercise to rebase STS indices to a new base year of 2005=100.

The turnover index and the employment index are compiled for retail trade and for other services, and it is foreseen that the labour input indices concerning wages and salaries and hours worked will be provided for all of these services starting from the new base year to be introduced in 2013. For retail trade one additional indicator is provided, namely the volume index of retail sales, which is effectively a deflated turnover index. Furthermore, service output price indices have been developed for a selection of services in recent years.

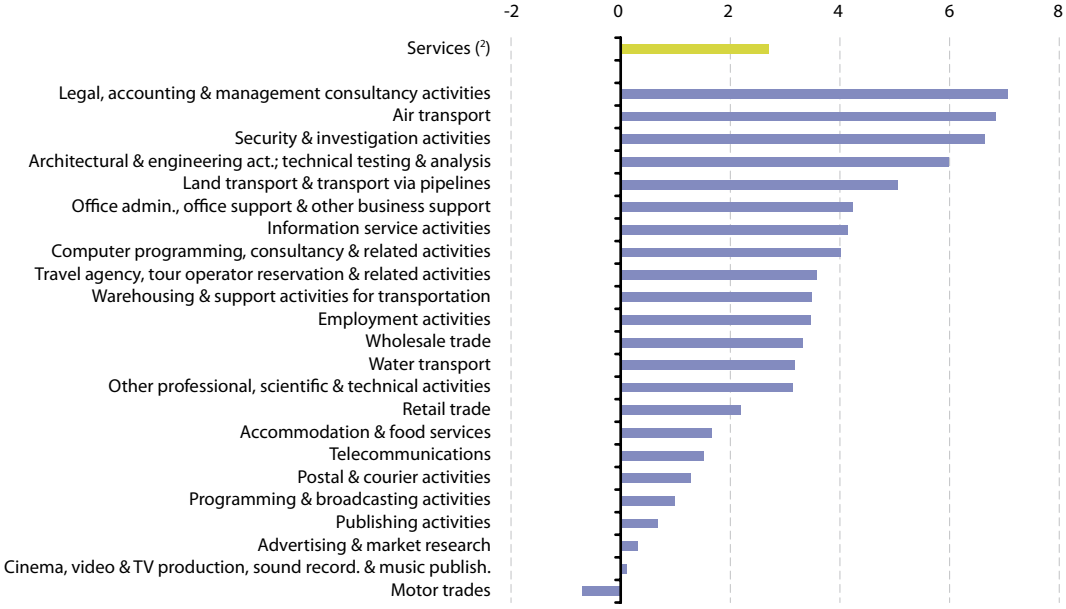
The index of turnover shows the evolution of sales in value terms. Note that prices for some services have actually been falling, perhaps due to market liberalisation and increased competition (for example, telecommunications and other technology-related activities). In such cases, the rapid growth rates observed for turnover value indices for some activities would be even greater in volume terms.

The retail trade indices have particular importance because of the role of retail trade as an interface between producers and final customers, allowing retail sales turnover and volume of sales indices to be used as short-term indicators for final domestic demand by households. The volume measure of the retail trade turnover index is more commonly referred to as the index of the volume of (retail) sales. To eliminate the price effect on turnover in retail trade, a deflator of sales is used. This deflator is an index with a similar methodology to that of an output price index, but it is adapted specifically for retail trade; it reflects price changes in the goods sold rather than those in the retail sales service provided.

Context

Some of the most important STS indicators are a set of Principal European Economic Indicators (PEEIs) that are essential to the European Central Bank (ECB) for conducting monetary policy within the euro area. Three PEEIs concern services short-term business statistics, namely indices covering: the volume of sales in retail trade, service turnover, and services producer prices.

Figure 7.11: Average annual growth rate of turnover, selected services, EU-27, 2004-2009 (1)
(%)



(1) Working day adjusted.
(2) As required by the STS Regulation.

Source: Eurostat (sts_setu_a and sts_trtu_a)

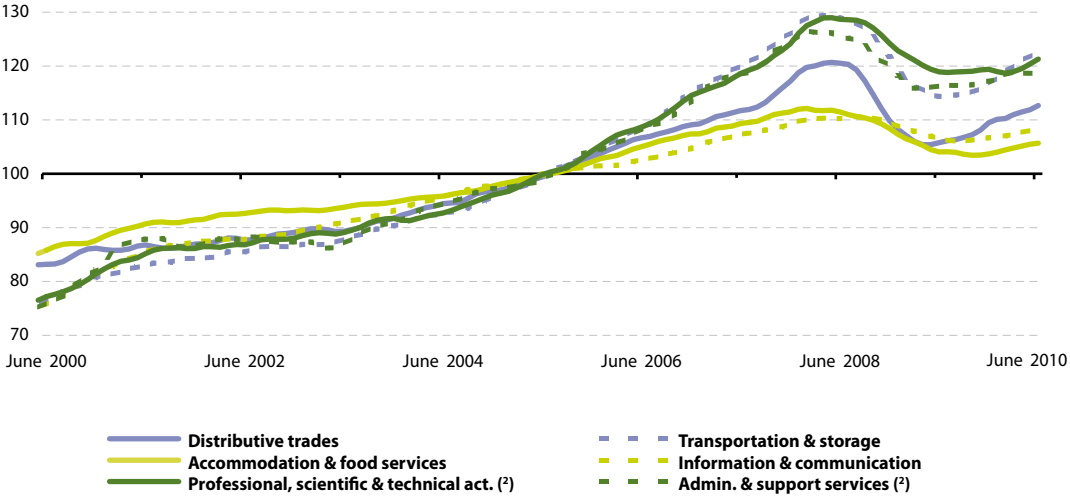
Table 7.13: Annual growth rates for the index of turnover, selected services (1)
(%)

	Distributive trades		Transport. & storage		Accomm. & food services		Info. & comm.		Profes., scient. & technical activities (2)		Admin. & support serv. (2)	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
EU-27	4.8	-9.4	5.7	-9.5	1.4	-5.9	2.8	-3.2	7.3	-6.2	4.4	-6.6
Euro area (EA-16)	2.5	-10.1	3.5	-10.7	0.3	-4.5	1.6	-3.5	6.6	-5.7	5.7	-7.7
Belgium	3.2	:	7.9	:	4.2	:	:	:	40.9	:	7.3	:
Bulgaria	20.0	-18.8	20.7	-25.4	13.8	-8.7	-4.8	-7.3	25.1	-18.5	18.5	-4.2
Czech Republic	3.0	-11.5	1.7	-14.0	-2.7	-9.5	4.5	-2.6	8.7	-13.7	1.0	-12.0
Denmark	0.5	-15.0	8.9	-22.1	3.4	-6.6	-1.4	-3.9	6.1	-8.4	9.5	-0.8
Germany	4.5	-10.5	3.9	-11.1	-0.5	-4.6	2.0	-3.4	7.6	-5.4	10.3	-7.3
Estonia	-4.8	-23.1	-6.2	-11.3	1.6	-20.3	12.4	-17.2	8.0	-22.8	-0.5	-17.4
Ireland	-4.9	-12.9	1.4	-7.9	-3.0	-20.0	-12.4	-15.6	-9.2	-17.1	18.4	-19.2
Greece	6.3	-9.9	5.3	-27.3	3.2	-9.0	0.1	-8.4	6.6	-16.9	8.2	2.8
Spain	-4.6	-15.2	-0.9	-13.3	-2.3	-8.6	1.1	-6.1	-4.3	-13.0	-0.3	-9.2
France	3.6	-8.1	4.0	-6.2	0.7	-0.1	4.7	-0.8	4.7	0.3	2.8	-6.7
Italy	1.0	-7.2	:	:	:	:	-1.7	-3.9	:	:	:	:
Cyprus	8.5	-11.0	4.5	-8.9	3.3	-6.2	11.1	-0.7	12.5	-0.1	-2.1	-12.1
Latvia	-4.2	-35.0	23.5	-18.2	-0.5	-32.1	5.0	-15.8	8.8	-20.2	10.0	-15.8
Lithuania	12.6	-25.2	8.1	-25.5	15.2	-19.1	10.6	-14.3	20.7	-26.1	20.5	-23.9
Luxembourg	-1.9	-4.6	9.7	-13.5	2.7	-2.4	-7.3	-1.5	10.8	-1.0	14.5	-8.0
Hungary	-0.6	-10.4	20.2	-4.7	4.8	-6.1	3.0	3.7	31.6	16.5	22.6	10.1
Malta	-0.5	-5.7	7.8	-6.3	3.1	-7.0	-1.2	2.9	-0.5	0.3	-11.9	9.8
Netherlands	5.4	-9.0	:	:	0.2	-4.8	1.9	-3.7	6.3	-3.2	6.8	-6.5
Austria	4.1	-5.4	4.3	-8.4	4.4	-0.7	0.1	-4.2	3.7	0.3	4.6	-6.9
Poland	7.9	-2.5	12.9	1.9	11.4	3.6	12.0	-1.4	30.0	5.9	22.8	10.8
Portugal	0.7	-11.5	:	:	:	:	:	:	:	:	:	:
Romania	21.3	-15.5	26.3	-18.7	-0.7	-15.4	21.4	-7.2	26.3	-8.5	20.2	-3.7
Slovenia	15.3	-19.0	-6.1	-18.8	6.3	-7.7	6.3	-6.6	6.4	-10.2	4.7	-10.2
Slovakia	12.3	-22.4	11.3	-13.1	5.9	-22.8	7.3	1.9	7.2	2.9	26.7	-8.8
Finland	6.3	-15.2	7.2	-15.4	5.8	-4.1	3.8	-3.9	8.7	-9.3	12.7	-5.9
Sweden	4.0	-6.6	2.7	-9.3	4.5	-0.9	0.7	-0.5	-0.1	-6.5	0.4	-3.1
United Kingdom	13.4	-6.7	9.0	-4.7	3.4	-9.6	5.2	-2.6	6.7	-8.1	0.7	-6.3
Norway	:	:	:	:	5.9	:	:	:	:	:	:	:
Croatia	3.5	-15.1	:	:	4.9	-2.9	:	:	:	:	:	:
Turkey	:	:	:	:	31.5	-7.8	:	:	:	:	:	:

(1) Working day adjusted.
(2) As required by the STS Regulation.

Source: Eurostat (sts_trtu_a and sts_setu_a)

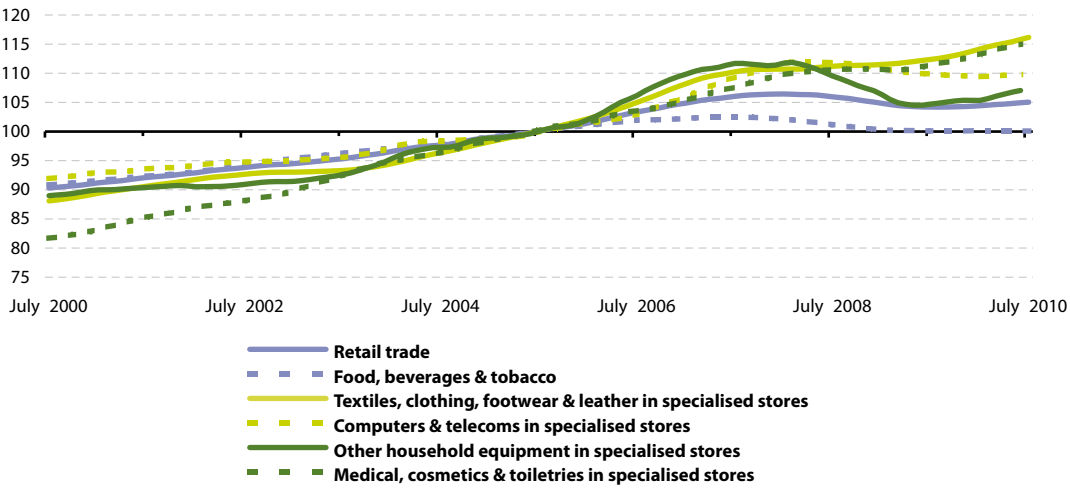
Figure 7.12: Index of turnover, selected service activities, EU-27 (1)
(2005=100)



(1) Trend-cycle; estimates.
(2) As required by the STS Regulation.

Source: Eurostat (sts_trtu_m and sts_setu_m)

Figure 7.13: Volume of sales index, selected retail trade activities, EU-27 (1)
(2005=100)



(1) Trend-cycle.

Source: Eurostat (sts_trtu_m)

Table 7.14: Annual growth rates for the volume of sales index, retail trade ([1])
(%)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU-27	*2.4*	*2.7*	2.2	1.8	1.7	2.6	2.3	3.2	2.5	0.2	-1.7
Euro area (EA-16)	*2.1*	*1.9*	1.6	0.7	0.8	1.4	1.9	2.2	1.6	-0.8	-2.2
Belgium	*2.2*	*5.3*	*0.2*	*-0.9*	*-0.2*	*1.7*	*1.3*	*1.7*	*1.8*	*1.2*	*0.6*
Bulgaria	:	:	2.9	5.9	15.5	16.7	14.6	13.0	19.0	8.8	-8.9
Czech Republic	3.2	*-2.0*	*7.1*	*1.1*	*8.0*	*3.2*	*6.7*	*8.7*	*7.6*	*3.8*	*-1.5*
Denmark	1.1	0.8	4.2	3.4	3.3	4.6	8.8	4.6	-1.4	-3.1	-4.3
Germany	*-0.2*	*0.8*	*0.2*	*-2.5*	*-1.0*	*1.7*	*1.2*	*0.4*	*-1.3*	*-0.2*	*-2.1*
Estonia	2.3	14.2	12.9	13.0	-0.9	11.0	14.8	17.6	10.5	-4.5	-18.3
Ireland	:	:	9.0	3.6	3.5	5.7	6.7	8.7	8.0	-2.2	-6.2
Greece	1.8	8.9	4.3	4.9	4.3	4.5	3.0	9.0	2.2	1.3	*-11.3*
Spain	3.4	*5.8*	*3.2*	*3.9*	*2.9*	*2.4*	*1.3*	*2.3*	*2.7*	*-5.4*	*-5.4*
France	4.5	2.7	3.5	3.3	2.9	3.0	3.5	2.6	4.1	1.2	-0.0
Italy	*0.9*	*-0.6*	*-0.6*	*-0.6*	*-0.7*	*-2.5*	*-0.6*	*1.3*	*-0.2*	*-2.7*	*-1.5*
Cyprus	:	:	7.9	3.4	-0.9	3.1	4.6	6.8	7.8	5.3	-3.9
Latvia	5.9	20.1	5.5	10.7	12.7	10.1	20.0	19.9	15.3	-7.3	-28.0
Lithuania	-4.8	10.3	3.0	10.1	11.2	9.2	11.8	7.2	13.7	3.7	-21.4
Luxembourg	-2.8	10.3	4.9	5.7	7.0	3.7	1.3	3.2	4.6	1.7	2.2
Hungary	6.0	3.4	3.8	8.5	7.7	6.0	4.3	4.9	-2.0	-1.9	-5.3
Malta	:	:	-3.5	-1.8	3.4	-1.1	-4.7	-4.0	8.8	*-4.1*	*-4.4*
Netherlands	*3.4*	*-0.9*	*2.9*	*1.2*	*-1.0*	*-0.4*	*1.8*	*4.6*	*2.7*	*-0.1*	*-4.4*
Austria	:	*2.0*	*-1.9*	*-0.5*	*-0.1*	*0.1*	*1.4*	*1.8*	*0.8*	*-0.8*	*2.1*
Poland	:	:	1.3	0.3	5.2	5.9	-1.2	12.4	10.9	5.0	2.9
Portugal	6.3	-2.5	2.3	-0.3	-2.0	2.5	7.8	1.2	0.3	0.0	-1.8
Romania	:	:	-0.1	2.8	8.6	14.6	16.2	19.8	20.3	20.3	-10.3
Slovenia	-15.0	30.5	10.6	2.9	3.1	3.0	8.8	2.9	6.2	11.4	-10.5
Slovakia	16.7	-3.0	7.6	8.3	-2.4	8.2	10.2	8.2	5.5	9.1	-10.2
Finland	5.7	5.3	5.6	3.6	4.8	5.0	4.8	4.6	5.2	1.1	-2.5
Sweden	3.7	5.7	2.7	3.8	3.9	3.9	5.8	6.2	0.9	0.8	0.7
United Kingdom	3.5	6.1	4.2	6.0	3.3	5.6	2.2	3.9	3.7	2.0	1.3
Norway	:	:	1.8	5.2	2.7	3.2	3.4	5.6	6.6	1.5	0.9
Switzerland	:	:	2.1	-0.6	-0.2	0.8	2.2	3.4	4.2	3.0	0.6
Croatia	:	:	13.0	11.5	10.7	7.1	3.4	4.3	2.9	-0.9	-7.0

([1]) Working day adjusted.

Source: Eurostat (sts_trtu_a)

7.5 Tourism

This subchapter provides information on recent statistics in relation to tourism in the European Union (EU). Tourism is important because of its economic and employment potential, as well as its social and environmental implications. Tourism statistics are not only used to monitor EU tourism policies but also its regional and sustainable development policy.

The role played by tourism, for both businesses and citizens, has grown considerably in recent decades. According to estimates from the European Commission's Directorate-General for enterprise and industry, tourism accounts for more than 5 % of the EU-27's gross domestic product (GDP). The tourist accommodation sector employs 2.3 million people in the EU-27, and total employment within the whole of the EU-27's tourism industry is estimated to be between 12 million and 14 million people (according to preliminary estimates from tourism satellite accounts).

Main statistical findings

Tourism volume – demand and supply

EU residents made more than 1 000 million holiday trips in 2009. Short trips (of one to three nights) accounted for slightly more than half (54 %) of the trips made by EU residents (see Table 7.15), while approximately three quarters (76 %) of the trips made were to domestic destinations, while 24 % were abroad.

In some Member States, over half of all holidays were spent abroad; this was the case for Luxembourg, Belgium, Denmark, the Netherlands and Ireland. However, less than 10 % of holiday trips by residents of Spain, Greece, Bulgaria and Portugal were abroad. These figures appear to be influenced by both the Member State's size and its geographical location (smaller and more northerly countries tend to report a higher propensity for their residents to take holidays abroad).

It is estimated that around 55 % of the EU-27's population took part in tourism in 2009, in other words made at least one trip of at least four overnight stays during the year. Again, large differences can be observed ranging from an 8 % tourism participation rate in Bulgaria to a rate of 78 % in Luxembourg (see Table 7.16).

From the supply perspective, over 202 000 hotels and similar establishments were active within the EU-27 in 2009. In addition, there were more than 243 000 other collective tourist accommodation establishments (such as campsites and holiday dwellings). Hotels and similar establishments provided more than 12 million bed places, of which nearly half (47 %) were in either Italy (2.2 million bed places), Germany or Spain (both 1.7 million bed places). In 2009, resident and non-resident (foreign) tourists spent over 1 512 million nights in hotels and similar establishments in the EU-27.

Over the past decade, the number of tourism nights spent in collective tourist accommodation has generally shown an upward trend. However, a decline in travel after the 2001 terrorist attacks in the United States and as a result of the recent financial and economic crisis caused

short-term shocks: the number of tourism nights spent in collective tourist accommodation in the EU-27 fell by 0.2 % in 2008 and by 3.2 % in 2009 (see Figures 7.14 and 7.15).

Top destinations

Germans spent nearly 640 million nights in collective accommodation establishments outside of Germany in 2009, while residents of the United Kingdom spent 587 million nights abroad; these two Member States accounted for more than half of the total number of nights spent abroad by EU-27 residents. Extending the coverage, the ten Member States whose residents spent the most nights in tourist accommodation establishments abroad made up more than 87 % of the 2 308 million nights spent abroad in 2009 (see Table 7.17).

When taking into account a country's size in terms of population, Luxembourg was the Member State whose residents spent the most nights abroad per inhabitant (over 18 nights), followed by Cyprus and the United Kingdom. At the other end of the spectrum, Greeks and Romanians spent, on average, less than one holiday night abroad per inhabitant in 2009 (see Figure 7.16).

In 2009, Spain was the most common tourism destination for non-residents (people coming from abroad), with 201 million nights spent in collective accommodation, or 22 % of the total nights spent in the EU-27 by non-residents. The top three most popular Member States for non-residents were Spain, Italy (159 million nights) and France (99 million nights), which together represented 51 % of the nights spent by non-residents in the EU. The least common destinations were Luxembourg, Lithuania and Latvia, where the effect of the size of these Member States should not be disregarded (see Figure 7.17 and Table 7.18).

The number of nights spent (by residents and non-residents) can be put into perspective by making a comparison with the size of the country in population terms, providing an indicator of tourism intensity. In 2009, using this measure, the Mediterranean island destinations of Cyprus and Malta, as well as the alpine and city trip destination of Austria were the most popular tourist destinations in the EU (see Figure 7.18).

Financial aspects of international tourism

The economic importance of tourism can be measured by looking at the ratio of international tourism receipts relative to GDP. In 2009, this was highest in Malta (10.2 %) and Cyprus (9.2 %), confirming the importance of tourism to these island nations (see Table 7.19); an even higher ratio was observed in Croatia (15.7 %, 2008). In absolute terms, the highest international tourism receipts were recorded in Spain (EUR 38 125 million) and France (EUR 34 928 million), followed by Italy, Germany and the United Kingdom.

Germany recorded the highest level of expenditure on international tourism, totalling EUR 57 958 million in 2009, followed by the United Kingdom (EUR 35 049 million) and France (EUR 27 883 million). When analysing this expenditure relative to the size of population, Luxembourg's residents spent on average EUR 5 254 per inhabitant on travel abroad in 2009, far ahead of the second ranked country,

Ireland (EUR 1 413 per inhabitant), followed by Belgium, Denmark and Cyprus. Not surprisingly, these five Member States were also among the highest ranked in terms of the share of long (in other words four nights or more) outbound trips in the total number of holiday trips.

Data sources and availability

Tourism, in a statistical context, refers to the activity of visitors taking a trip to a destination outside their usual environment, for less than a year. It can be for any main purpose, including business, leisure or other personal reasons other than to be employed by a resident person, household or enterprise in the place visited. The statistics presented are currently limited to at least an overnight stay; the possibility of including information relating to same-day visits is being examined.

A system of tourism statistics was established in Council Directive 95/57/EC of 23 November 1995 on the collection of statistical information in the field of tourism. This legal basis requires Member States to provide a regular set of comparable tourism statistics. Amendments in 2004 and 2006 concerned the enlargement of the EU and recent changes in the world market for tourism.

Tourism statistics in the EU consist of two main components: statistics relating to capacity and occupancy in collective tourist accommodation and statistics relating to tourism demand. In most Member States, the former are collected via surveys filled in by accommodation establishments, while the latter are mainly collected via traveller surveys at border crossings or through traditional household surveys.

Statistics on the capacity of collective tourist accommodation include the number of establishments, the number of bedrooms and the number of bed places. These statistics are available by establishment type or by region, and are compiled annually.

Statistics on the occupancy of collective tourist accommodation refer to the number of arrivals (at accommodation establishments) and the number of nights spent by residents and non-residents, separated into establishment type or region; annual and monthly statistical series are available. In addition, statistics on the use of bed places (occupancy rates) are compiled.

Statistics on tourism demand refer to tourist participation, in other words, the number of people who made at least one trip of at least four overnight stays during the reference period (quarter or year). There are statistics in relation to the number of tourism trips made (and the number of nights spent on those trips), separated by:

- destination country;
- departure month;
- length of stay;
- type of trip organisation;
- transport mode;
- accommodation type;
- expenditure.

The data may also be analysed by socio-demographic explanatory variables, such as age and gender.

Data from other official sources may also be used to study tourism. These statistics include:

- data on employment in the tourism accommodation sector from the labour force survey (LFS), broken down by working time (full/part-time),

working status, age, level of education, gender, permanency and seniority of work with the same employer (annual and quarterly data);
- data on personal travel receipts and expenditure from the balance of payments;
- transport statistics (for example, air passenger transport);
- structural business statistics (SBS) may be used to provide additional information on tourism flows and on the economic performance of certain tourism-related sectors.

Context

The EU remains a major tourist destination and six Member States are among the world's top ten destinations for holidaymakers. Tourism is an important activity in the EU which has the potential to contribute towards employment and economic growth, as well as to development in rural, peripheral or less-developed areas. These characteristics drive the demand for reliable and harmonised statistics within this field, as well as within the wider context of regional policy and sustainable development policy areas.

Indeed, tourism can be a significant factor in the development of European regions. Infrastructure created for tourism purposes contributes to local development, while jobs that are created or maintained can help counteract industrial or rural decline. Sustainable tourism involves the preservation and enhancement of cultural and natural heritage, ranging from the arts to local gastronomy or the preservation of biodiversity.

In 2006, the European Commission adopted a Communication ((2006) 134) titled 'A renewed EU tourism policy: towards a stronger partnership for European tourism'. The document addressed a range of challenges that will shape tourism in the coming years, including Europe's ageing population, growing external competition, consumer demand for more specialised tourism, and the need to develop more sustainable and environmentally friendly tourism practices. It argued that more competitive tourism supply and sustainable destinations would help raise tourist satisfaction and secure Europe's position as the world's leading tourist destination. This was followed by a Communication ((2007) 621) in October 2007 titled, 'Agenda for a sustainable and competitive European tourism', which proposed actions in relation to the sustainable management of destinations, the integration of sustainability concerns by businesses, and the sustainability awareness of tourists.

A Communication ((2010) 352) titled 'Europe, the world's No. 1 tourist destination – a new political framework for tourism in Europe' was adopted in June 2010. This followed the entry into force of the Lisbon Treaty, which acknowledges the importance of tourism – outlining a specific competence for the EU in this field and allowing for decisions to be taken by qualified majority. A specific Treaty article on tourism specifies that the EU 'shall complement the action of the Member States in the tourism sector, in particular by promoting the competitiveness of Union undertakings in that sector'. With this Communication, the European Commission encouraged a coordinated approach

for initiatives linked to tourism and defines a new framework for action to increase the competitiveness of tourism and its capacity for sustainable growth. It proposes a number of European or multi-national initiatives – including a consolidation of the socio-economic knowledge base for tourism – aimed at achieving these objectives.

Table 7.15: Holiday trips of residents (aged 15 years or more), 2009

	Number of trips (1 000)			Breakdown of all trips by destination and duration (%)			
	All trips	Short trips (1-3 nights)	Long trips (4+ nights)	Short domestic trips (1-3 nights)	Long domestic trips (4+ nights)	Short outbound trips (1-3 nights)	Long outbound trips (4+ nights)
EU (1)	*1 038 708*	*565 132*	*473 576*	*49.2*	*27.0*	*5.2*	*18.6*
Belgium	*11 331*	*4 213*	*7 119*	*17.4*	*9.7*	*19.7*	*53.1*
Bulgaria	*7 861*	*4 868*	*2 993*	*59.0*	*31.4*	*2.9*	*6.7*
Czech Republic	32 269	17 244	15 025	49.0	25.4	4.5	21.2
Denmark (2)	10 368	4 377	5 991	32.5	15.2	9.7	42.6
Germany	224 496	118 589	105 907	46.5	21.3	6.3	25.9
Estonia	1 392	907	485	48.1	8.5	17.1	26.3
Ireland (3)	11 839	6 023	5 816	38.4	10.4	12.5	38.8
Greece (3)	13 561	5 627	7 934	40.3	50.4	1.2	8.1
Spain	122 167	82 600	39 567	65.6	27.5	2.0	4.9
France	202 284	106 999	95 285	50.6	39.2	2.3	7.9
Italy (3)	87 772	46 393	41 378	49.2	34.2	3.6	13.0
Cyprus	1 782	885	897	44.0	11.9	5.6	38.4
Latvia	4 152	3 320	832	72.8	7.7	7.1	12.4
Lithuania	3 219	2 158	1 061	54.3	13.0	12.8	20.0
Luxembourg	1 370	549	820	0.5	0.1	39.6	59.8
Hungary	18 521	12 461	6 060	59.2	19.7	8.1	13.0
Malta	:	:	:	:	:	:	:
Netherlands	29 669	10 691	18 978	24.9	22.8	11.1	41.1
Austria	17 196	7 912	9 284	33.2	19.3	12.8	34.7
Poland	*31 634*	*15 613*	*16 021*	*47.0*	*38.5*	*2.3*	*12.1*
Portugal (4)	10 265	6 423	3 842	60.5	29.6	2.1	7.9
Romania	12 164	:	:	:	:	:	:
Slovenia	4 332	2 634	1 698	40.5	11.0	20.3	28.2
Slovakia	6 062	1 715	4 347	22.4	34.1	5.9	37.6
Finland	30 201	23 016	7 185	68.0	15.6	8.2	8.2
Sweden	36 474	24 081	12 393	58.2	18.3	7.9	15.7
United Kingdom	118 493	55 835	62 657	41.1	20.3	6.0	32.6
Norway	16 830	9 980	6 850	47.7	19.5	11.6	21.2
Switzerland (3)	17 811	9 526	8 284	32.7	13.4	20.7	33.1
Croatia	6 912	3 577	3 335	38.7	31.6	13.0	16.7

(1) Estimate made for the purpose of this publication: sum/average of latest available data for the Member States, excluding Malta and Romania.
(2) 2007.
(3) 2008.
(4) 2006.

Source: Eurostat (tour_dem_ttmd)

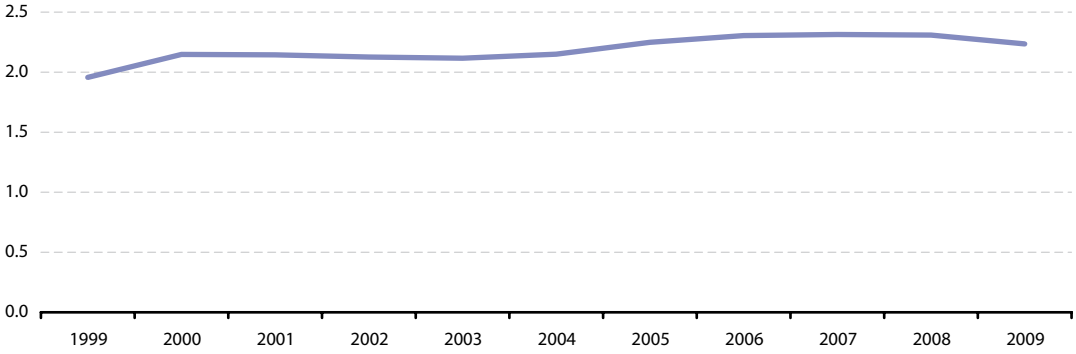
Table 7.16: Tourism indicators

	Hotels & similar establishments (units)		Other collective accommodation establishments (units)		Bed places in hotels & similar establishments (1 000)		Nights spent in hotels & similar establishments (1 000) (1)		Share of the population (aged 15+) taking part in tourism (%)	
	2004 (2)	2009 (3)	2004 (2)	2009 (3)	2004 (2)	2009 (3)	2004 (2)	2009 (4)	2004	2009 (5)
EU-27	205 252	*202 070*	203 248	*243 229*	11 139	*12 057*	1 416 528	1 512 035	:	:
Euro area (EA-16)	144 728	143 678	144 721	182 511	8 664	9 365	1 129 328	1 203 019	:	:
Belgium	1 922	2 036	1 490	1 492	122	126	14 405	15 937	46.6	46.7
Bulgaria	1 016	1 784	290	466	171	249	13 562	14 054	:	8.0
Czech Republic	4 311	4 469	3 329	3 088	230	261	24 931	25 341	53.9	53.7
Denmark	485	471	618	585	70	77	9 695	9 966	62.2	:
Germany	36 839	35 814	18 439	17 365	1 609	1 694	195 047	216 228	63.7	65.8
Estonia	267	387	342	704	23	31	3 292	3 499	20.4	38.9
Ireland	4 554	3 624	4 233	4 850	145	163	25 442	23 699	:	:
Greece	8 899	9 559	331	319	668	732	51 590	64 292	35.3	42.7
Spain	17 402	18 387	15 666	22 367	1 512	1 737	234 697	250 985	32.7	41.6
France	18 598	17 723	10 731	11 128	1 241	1 248	188 524	191 741	59.0	64.9
Italy	33 518	33 967	81 009	111 391	2 000	2 228	234 020	244 385	48.9	46.2
Cyprus	803	699	132	156	92	84	14 623	12 808	:	:
Latvia	278	451	65	108	18	25	1 875	2 187	:	17.7
Lithuania	317	380	212	175	19	24	1 642	2 078	21.9	29.5
Luxembourg	297	261	263	224	14	15	1 280	1 282	62.2	77.6
Hungary	1 952	2 042	1 049	951	158	157	14 662	14 975	48.7	51.1
Malta	194	158	5	7	41	39	7 666	6 740	:	:
Netherlands	3 129	3 151	3 951	3 900	190	204	28 386	31 481	69.4	68.9
Austria	14 435	13 645	6 174	6 741	571	588	74 014	80 071	52.6	58.6
Poland	2 139	2 836	4 833	4 156	165	222	18 448	24 514	31.9	36.7
Portugal	1 954	1 988	285	311	254	274	34 141	36 457	30.2	25.4
Romania	3 301	4 566	599	513	208	247	17 190	16 514	21.2	28.6
Slovenia	350	475	371	447	30	39	4 965	5 450	56.6	58.1
Slovakia	873	1 324	1 189	1 359	56	74	6 716	6 335	:	51.7
Finland	961	867	452	454	120	120	13 812	15 127	54.9	57.6
Sweden	1 833	1 982	2 057	2 115	190	222	21 526	25 958	:	:
United Kingdom	44 625	39 024	45 133	47 857	1 223	1 176	160 377	169 930	59.8	57.7
Iceland	303	296	389	280	15	19	1 469	1 940	:	:
Liechtenstein	45	41	114	108	1	1	104	122	:	:
Norway	1 079	1 108	1 098	1 179	141	157	16 360	17 654	71.1	72.6
Switzerland	5 643	5 533	94 100	:	259	274	31 963	35 589	:	:
Croatia	940	819	525	1 269	199	150	19 972	18 607	38.2	37.8
FYR of Macedonia	150	128	175	250	16	11	616	736	:	:
Turkey	9 877	9 508	:	:	820	904	93 302	115 967	:	:

(1) Nights spent by residents and non-residents.
(2) Former Yugoslav Republic of Macedonia and Switzerland, 2002; Turkey, 2003.
(3) EU-27 estimate made for the purpose of this publication, based on latest available data; United Kingdom, former Yugoslav Republic of Macedonia and Norway, 2008; Turkey, 2006.
(4) Ireland, United Kingdom and Norway, monthly data was used to calculate the annual figures; Turkey, 2007.
(5) Belgium, Greece, Italy and the United Kingdom, 2008.

Source: Eurostat (tin00039, tin00040, tin00041, tin00043, tin00045, tour_occ_nim, tps00001 and tps00010)

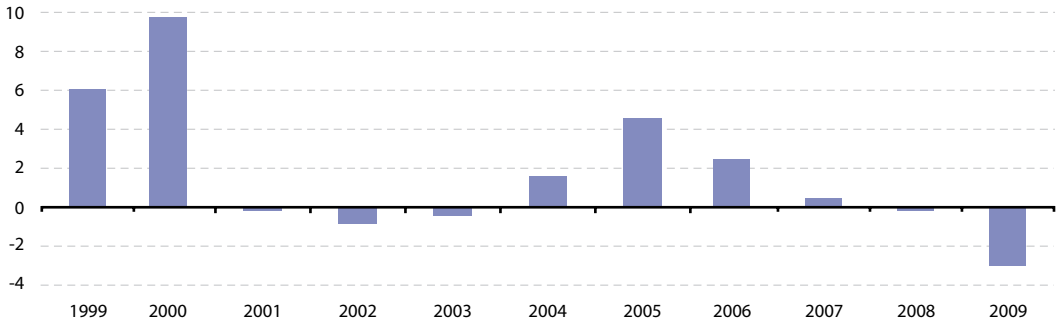
Figure 7.14: Number of nights spent in collective tourist accommodation, EU-27 (1)
(1 000 million nights)



(1) Nights spent by residents and non-residents; EU-27 estimates made for the purpose of this publication.

Source: Eurostat (tour_occ_ninat and tour_occ_nim)

Figure 7.15: Annual rate of change in the total number of tourism nights spent in collective tourist accommodation, EU-27 (1)
(%)



(1) Nights spent by residents and non-residents; estimates made for the purpose of this publication.

Source: Eurostat (tour_occ_ninat and tour_occ_nim)

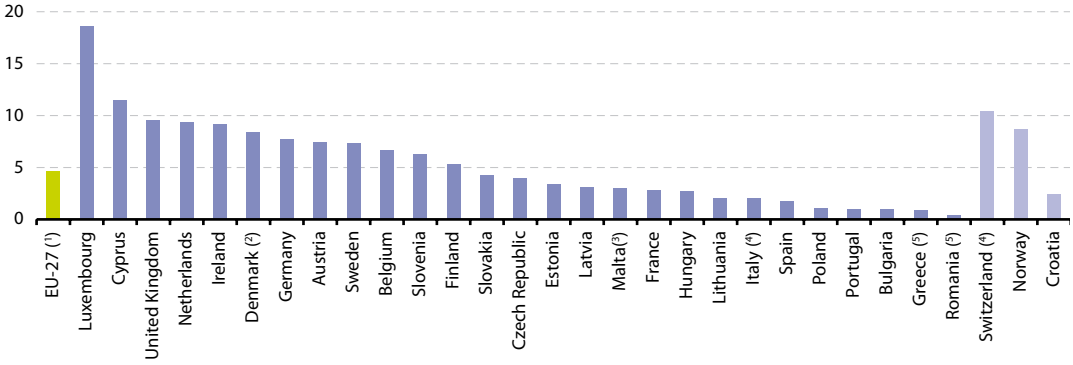
Table 7.17: Top 10 Member States of origin for outbound holidays, 2009
(1 000 nights spent abroad by residents of the country)

		Nights abroad	Share (%)
	EU-27 (1)	2 308 004	100.0
	Top 10	2 014 146	87.3
1	Germany	636 976	27.6
2	United Kingdom	587 164	25.4
3	France	184 210	8.0
4	Netherlands	154 794	6.7
5	Italy (2)	121 811	5.3
6	Spain	80 834	3.5
7	Belgium	72 084	3.1
8	Sweden	67 961	2.9
9	Austria	62 357	2.7
10	Denmark (3)	45 954	2.0

(1) Estimate made for the purpose of this publication, based on annual and monthly data.
(2) 2008.
(3) 2007.

Source: Eurostat (tour_dem_tnw and tour_dem_tnmd)

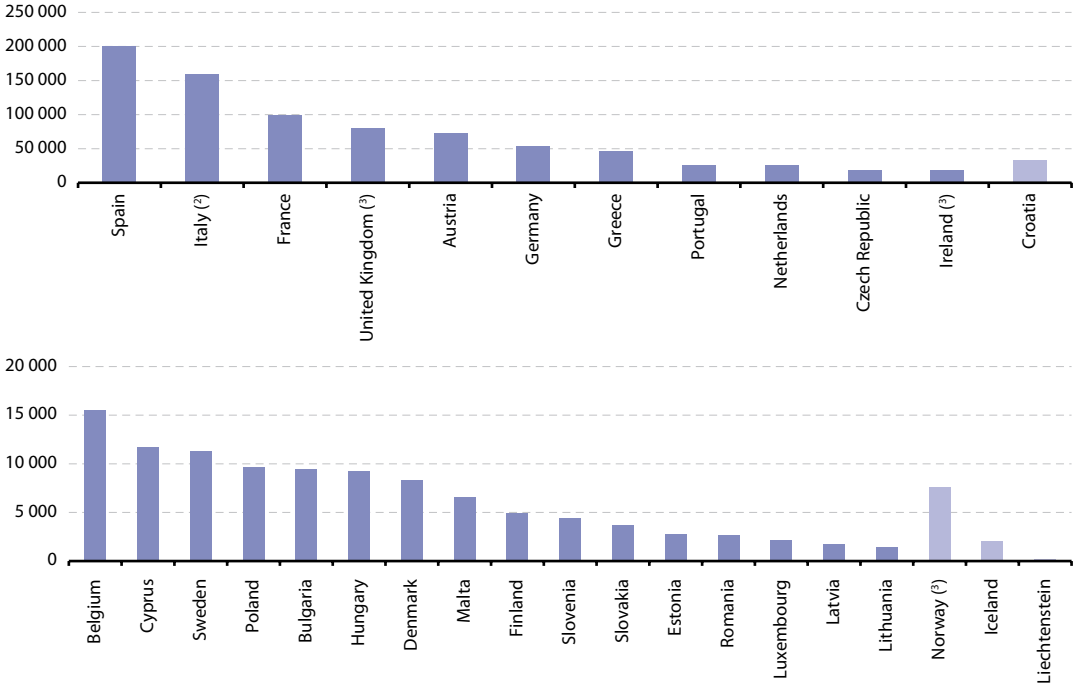
Figure 7.16: Country of origin for outbound holidays, 2009
(average nights spent abroad per inhabitant)



(1) Estimate made for the purpose of this publication based on latest available data for the Member States.
(2) 2007.
(3) Estimate, based on 2008 quarterly data.
(4) 2008.
(5) Estimate, based on 2009 quarterly data.

Source: Eurostat (tour_dem_tnw, tour_dem_tnmd and tps00001)

Figure 7.17: Tourism destinations - nights spent in collective tourist accommodation, 2009 (1)
(1 000 nights spent in the country by non-residents)



(1) Note the differences in the scales employed between the two parts of the figure.
(2) Provisional.
(3) Estimate, based on 2009 monthly data.

Source: Eurostat (tour_occ_ni and tour_occ_nim)

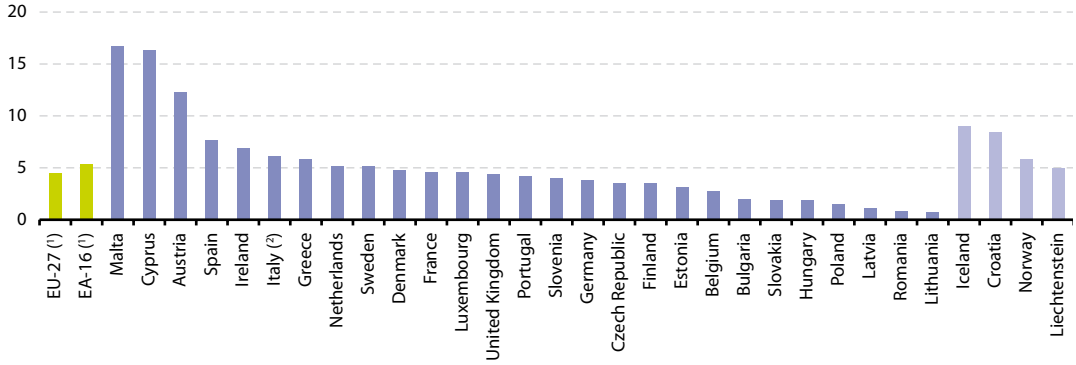
Table 7.18: Top 10 tourism destinations - nights spent in collective tourist accommodation, 2009
(1 000 nights spent in the country by non-residents)

		Nights in country	Share (%)
	EU-27 (1)	*901 880*	100.0
	Top 10	779 016	86.4
1	Spain	200 552	22.2
2	Italy	*158 527*	*17.6*
3	France	*98 700*	*10.9*
4	United Kingdom	*80 454*	*8.9*
5	Austria	72 225	8.0
6	Germany	54 097	6.0
7	Greece	*46 677*	*5.2*
8	Portugal	25 025	2.8
9	Netherlands	25 014	2.8
10	Czech Republic	17 747	2.0

(1) Estimate made for the purpose of this publication, based on annual and monthly data.

Source: Eurostat (tour_occ_ninat and tour_occ_nim)

Figure 7.18: Tourism intensity, 2009
(nights spent by residents and non-residents in collective tourist accommodation per inhabitant)



(1) EU-27 and EA-16 estimates made for the purpose of this publication, based on annual and monthly data.
(2) Provisional.

Source: Eurostat (tour_occ_ni and tour_occ_nim)

Table 7.19: Tourism receipts and expenditure from travel

	Receipts				Expenditure			
	(EUR million)			Relative to GDP, 2009 (%)	(EUR million)			Relative to GDP, 2009 (%)
	1999	2004	2009		1999	2004	2009	
EU-27 (1)	:	62 305	*68 070*	*0.6*	:	79 604	*86 371*	*0.7*
Euro area (EA-16) (2)	:	:	*83 795*	*0.9*	:	:	*85 217*	*1.0*
Belgium	:	7 423	*7 055*	*2.1*	:	11 274	*12 808*	*3.8*
Bulgaria	873	1 791	*2 680*	*7.6*	492	1 100	*1 259*	*3.6*
Czech Republic	2 847	3 362	*4 639*	*3.4*	1 383	1 831	*2 923*	*2.1*
Denmark	3 490	4 567	*4 497*	*2.0*	4 603	5 853	*6 464*	*2.9*
Germany	16 162	22 243	*24 885*	*1.0*	52 583	57 545	*57 958*	*2.4*
Estonia	518	717	*781*	*5.6*	202	321	*433*	*3.1*
Ireland	2 410	3 536	*3 506*	*2.2*	2 322	4 184	*6 287*	*3.9*
Greece	8 296	10 348	*10 400*	*4.5*	3 762	2 310	*2 425*	*1.0*
Spain	29 408	36 376	*38 125*	*3.6*	5 517	9 772	*11 925*	*1.1*
France	29 573	36 409	*34 928*	*1.8*	17 485	23 171	*27 883*	*1.5*
Italy	26 716	28 625	*28 744*	*1.9*	15 858	16 470	*19 854*	*1.3*
Cyprus	1 790	1 814	*1 556*	*9.2*	404	651	*914*	*5.4*
Latvia	105	217	*513*	*2.8*	251	307	*572*	*3.1*
Lithuania	516	627	*778*	*2.9*	320	513	*812*	*3.1*
Luxembourg	:	2 940	*2 943*	*7.7*	:	2 351	*2 593*	*6.8*
Hungary	3 360	3 168	*4 082*	*4.4*	1 450	1 954	*2 610*	*2.8*
Malta	637	621	*589*	*10.2*	188	205	*314*	*5.5*
Netherlands	6 565	8 306	*8 887*	*1.6*	11 324	13 211	*14 830*	*2.6*
Austria	10 085	12 203	*13 912*	*5.1*	6 332	7 473	*7 744*	*2.8*
Poland	2 977	4 646	*6 439*	*2.1*	806	3 843	*5 225*	*1.7*
Portugal	4 958	6 196	*6 920*	*4.1*	2 124	2 225	*2 713*	*1.6*
Romania	236	406	*882*	*0.8*	377	434	*1 051*	*0.9*
Slovenia	898	1 311	*1 800*	*5.1*	512	704	*1 037*	*2.9*
Slovakia	472	726	*1 674*	*2.6*	358	601	*1 504*	*2.4*
Finland	1 434	1 669	*2 022*	*1.2*	1 909	2 273	*3 136*	*1.8*
Sweden	3 892	4 994	*8 704*	*3.0*	7 521	8 182	*9 087*	*3.1*
United Kingdom	21 344	22 712	*21 726*	*1.4*	34 809	45 491	*35 049*	*2.2*
Iceland (3)	208	297	424	4.1	409	560	750	7.3
Norway (3)	2 139	2 364	3 150	1.0	4 562	6 756	10 832	3.5
Switzerland (3)	:	7 735	9 831	2.9	:	6 529	7 458	2.2
Croatia (3)	:	5 438	7 448	15.7	:	682	766	1.6
Turkey (3)	4 882	12 773	14 925	3.0	1 380	2 029	2 384	0.5
Japan (3)	3 222	9 069	7 356	0.2	30 660	30 780	18 970	0.6
United States (3)	83 882	75 655	91 724	0.9	57 288	55 974	58 044	0.6

(1) Extra EU-27 flows.
(2) Extra EA-16 flows.
(3) 2008 instead of 2009.

Source: Eurostat (bop_its_deth, bop_its_det and nama_gdp_c)

7.6 Information society

This subchapter presents recent statistical data on many different aspects of the information society in the European Union (EU). Progress in the development of the information society is regarded as critical to improve the competitiveness of EU industry and, more generally, to meet the demands of society and the EU economy.

Information and communication technologies (ICT) affect people's everyday lives in many ways, both at work and in the home, and EU policies in this area range from regulating entire sectors to trying to protect an individual's privacy.

Main statistical findings

Households and individuals

During the last decade, ICT have become widely available to the general public, both in terms of accessibility as well as cost. A boundary was crossed in 2007, when a majority (54 %) of households across the EU-27 had Internet access. This proportion has continued to increase and in 2009 reached 65 %. The highest proportion (90 %) of households with Internet access in 2009 was recorded in the Netherlands, the lowest (30 %) in Bulgaria (see Figure 7.19). Widespread and affordable broadband access is one of the means of promoting a knowledge-based and informed society. In all Member States broadband was by far the most common form of Internet access (an average of 56 % of all EU-27 households in 2009 compared with 8 % of households that used dial-up access or ISDN access).

Slightly more than two thirds (68 %) of individuals in the EU-27, aged between 16 and 74 years, used a computer in the three months before the 2009 ICT survey, while a similar proportion (65 %) used the Internet. The proportion of individuals using a computer and the Internet in the three months before the 2009 survey rose to around 90 % in Sweden and the Netherlands, but was in a minority in Bulgaria, Greece, Italy, and particularly in Romania. Furthermore, half (51 %) of the individuals in the EU-27 used the Internet for finding information on goods or services in 2009, the spread among Member States being from less than 20 % in Bulgaria and Romania to more than 70 % in the Netherlands, Sweden, Luxembourg, Denmark and Finland (see Table 7.20).

Among Internet users, in other words, those individuals within the EU-27 using the Internet in the three months before the ICT survey, a large majority (89 %) accessed the Internet from home, as shown in Table 7.21. By comparison, less than half of this subset of the population accessed the Internet at work (42 %), which in turn was around double the proportion accessing the Internet from a friend's, neighbour's or relative's house (24 %). Of the 65 % of individuals in the EU-27 that used the Internet in the three months before the 2009 ICT survey, nearly three quarters accessed the Internet on a daily or almost daily basis.

Just over one third (37 %) of individuals in the EU-27 ordered goods or services over the Internet for private use during the year prior to the 2009 survey, an increase of 5 percentage points compared with the year before (see Figure 7.22). This proportion reached close to two thirds in the United Kingdom, Denmark, the Netherlands and Sweden, whereas no more than one in ten persons made orders over the Internet in Greece, Lithuania, Bulgaria or Romania. Among persons who had not bought or ordered products over the Internet, the main reasons given for not doing so were that they preferred to shop in person or that they had no need. More than one third (35 %) had security concerns related to payment, while the next most common reasons were privacy concerns (29 %) and concerns related to trust (26 %).

Enterprises

About six in every ten enterprises (64 %) in the EU-27 had their own website in 2009, and this proportion rose to 90 % among large enterprises (see Figure 7.25). Most commonly enterprise's websites were used to provide product catalogues or price lists, this being the case for 57 % of enterprises with websites, a share that did not change greatly between enterprises of different sizes (see Figure 7.26). In contrast, around one fifth (21 %) of small enterprises with websites used them to advertise jobs or accept applications, whereas this was done by over three fifths (63 %) of large enterprises.

Some 11 % of enterprises in the EU-27 received orders on-line during 2009, which was about half the proportion of enterprises (23 %) that made purchases on-line (see Figure 7.27). The percentage of enterprises selling or purchasing on-line tends to rise with the size of the enterprise; it may be easier for large enterprises to finance investments for the introduction of e-commerce services. In total, e-commerce accounts for around 10 % of turnover among enterprises with at least ten persons employed in the EU-27, a share that ranged from 4 % for small enterprises to 17 % for large enterprises. Close to three quarters (72 %) of e-commerce turnover was generated from sales to enterprises in the seller's own country, with 8 % from sales outside of the EU.

In the EU-27 in January 2009, 3 % of enterprises with at least ten persons employed (excluding those in the financial sector) used radio frequency identification (RFID), a share that rose to 15 % for large enterprises, as shown in Figure 7.30. This technology was used for a wide variety of purposes, most commonly for person identification or access control (55 % of enterprises using RFID). The next most common purposes were for inventory tracking and tracing, for payment (such as for motorway tolls) and for product identification (see Figure 7.31).

Data sources and availability

Statisticians are well aware of the challenges posed by rapid technological change in areas related to the Internet and other new applications of ICTs. As such, there has been a considerable degree of evolution in this area, with statistical tools being adapted to satisfy new demands for data. Statistics within this domain are reassessed on an annual basis in order to meet user needs and reflect the rapid pace of technological change.

This approach is reflected in Eurostat's survey on ICT usage in households and by individuals, and Eurostat's survey on ICT usage in enterprises. These annual surveys can be used to benchmark ICT-driven

developments, both by following developments for core variables over time, as well as by looking in greater depth at other aspects at a specific point in time. While the surveys initially concentrated on access and connectivity issues, their scope has subsequently been extended to cover a variety of subjects (for example, e-government and e-commerce) and socio-economic breakdowns, such as regional diversity, gender specificity, age, educational differences and the individual's employment situation in the household survey, or a breakdown by enterprise size (small, medium-sized, large) in the enterprise survey. The scope of the surveys with respect to different technologies is also adapted so as to cover new product groups and means of delivering communication technologies to end-users (enterprises and households).

Households and individuals

Included are households having at least one member in the age group 16 to 74 years old. Internet access of households refers to the percentage of households that have an Internet access, so that anyone in the household could use the Internet at home, if so desired, even simply to send an e-mail. Internet users are defined as all individuals aged 16-74 who had used the Internet in the three months prior to the survey. Regular Internet users are individuals who used the Internet, on average, at least once a week in the three months prior to the survey.

The technologies most commonly used to access the Internet are divided between broadband and dial-up access. Broadband includes digital subscriber lines (DSL) and uses technology that transports data at high speeds. Broadband lines are defined as having a capacity equal to or higher than 144 kbit/s. A dial-up access using a modem can be made over a normal or an ISDN telephone line and, due to its limited bandwidth, it is often referred to as narrowband.

A computer is defined as a personal computer powered by one of the major operating systems (Macintosh, Linux or Microsoft); handheld computers or palmtops (PDAs) are also included.

The ordering of goods and services by individuals includes confirmed reservations for accommodation, purchasing financial investments, participation in lotteries and betting, Internet auctions, as well as information services from the Internet that are directly paid for. Goods and services that are obtained via the Internet for free are excluded. Orders made by manually written e-mails are also excluded.

Enterprises

The survey on ICT usage and e-commerce in enterprises covers enterprises that have at least ten persons employed. The activity coverage is restricted to those enterprises whose principal activity is within manufacturing, electricity, gas, steam and water supply, sewerage and waste management, construction, wholesale and retail trade, repair of motor vehicles and motorcycles, transportation and storage, accommodation and food service activities, information and communication, real estate, professional, scientific and technical activities, administrative and support activities (NACE Rev. 2 Sections C to N excluding Division 75). The financial and insurance activities (Section K) are covered by the survey but are excluded from the analysis presented here. A distinction is made according to the size of enterprises in terms of persons employed into small

(10-49 persons employed), medium-sized (50-249) and large (250 or more persons employed) enterprises.

ICT usage data in tables and databases on the Eurostat website are grouped according to the year in which the survey was conducted; most data refer to the situation in January whereas some others (like e-commerce) refer to the calendar year prior to the survey year.

Radio frequency identification (RFID) is a technology which uses special tags to remotely retrieve data by radio waves. This technology is used, among other uses, to keep track of freight passing through a cargo terminal, to monitor inventory, as a payment system for motorways and bridges or to identify and control access of persons.

Context

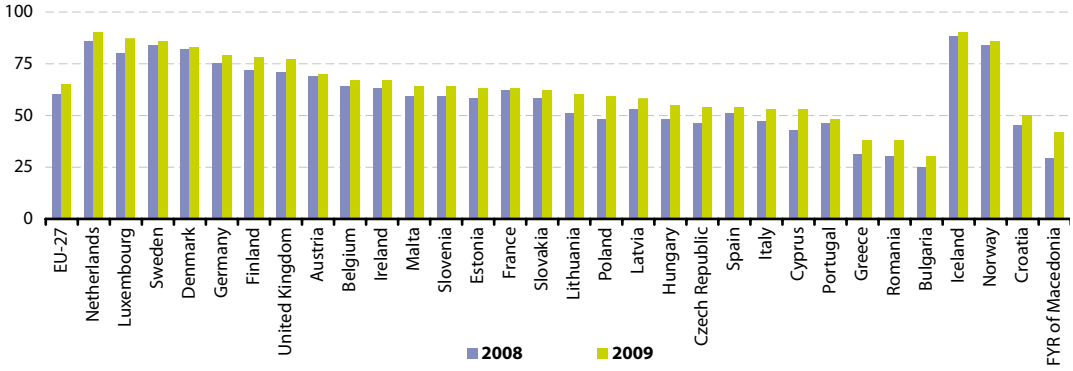
Information and communication technologies (ICT) are considered as critical for improving the competitiveness of European industry and, more generally, to meet the demands of society and the economy. ICT affects many aspects of everyday lives, at both work and in the home, and EU policies in this area range from the regulation of entire sectors to the protection of an individual's privacy.

Broadband technologies are considered to be important when measuring access to and use of the Internet, as they offer users the possibility to rapidly transfer large volumes of data and keep access lines open. The take-up of broadband is considered to be a key indicator within the domain of ICT policy-making. Widespread access to the Internet via broadband is seen as essential for the development of advanced services on the Internet, such as e-business, e-government or e-learning. Digital subscriber lines (DSL) remain the main form of delivery for broadband technology, although alternatives, such as the use of cable, satellite, fibre optics and wireless local loops are becoming more widespread.

Since 2005 the EU policy framework for ICT has been the i2010 initiative called 'A European information society for growth and employment' (COM(2005) 229 final) which sought to boost efficiency throughout the EU economy by means of the wider use of ICT. Having undergone a mid-term review, an updated i2010 strategy was presented in April 2008, addressing key challenges for the period 2008-2010.

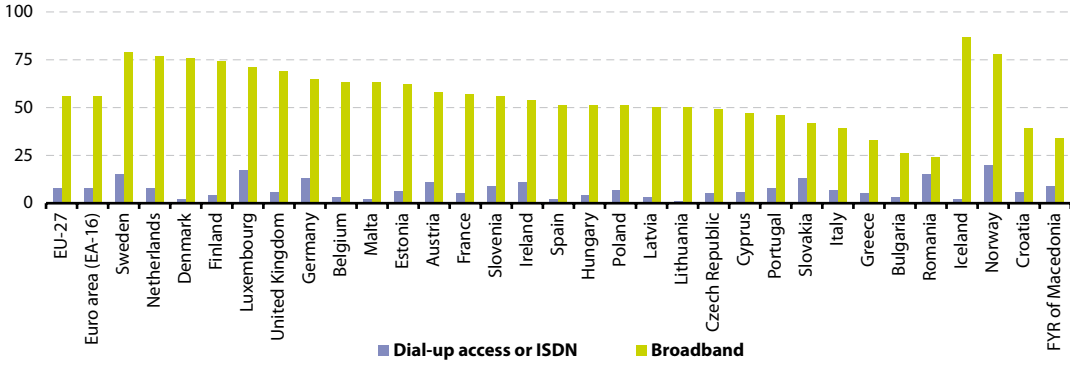
In May 2010 the European Commission adopted its Communication concerning a 'Digital Agenda for Europe' (COM(2010) 245 final), a strategy for a flourishing digital economy by 2020. It outlines policies and actions aimed at maximising the benefit of the digital era to all sections of society and economy. The agenda focuses on seven priority areas for action: creating a digital single market, greater interoperability, boosting Internet trust and security, providing much faster Internet access, encouraging investment in research and development, enhancing digital literacy skills and inclusion, and applying ICT to address challenges facing society like climate change and the ageing population. Examples of benefits include easier electronic payments and invoicing, rapid deployment of telemedicine and energy efficient lighting. The digital agenda for Europe was the first of seven flagship initiatives under the Europe 2020 strategy for smart, sustainable and inclusive growth.

Figure 7.19: Internet access of households
(% of all households)



Source: Eurostat (tsiir040)

Figure 7.20: Internet access of households by type of connection, 2009
(% of all households)



Source: Eurostat (tin00073)

Table 7.20: Use of ICTs and use of on-line services
(% of individuals aged 16 to 74)

	Computer use			Internet use			Used Internet for finding information on goods or services		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
EU-27	63	66	68	57	62	65	47	50	51
Euro area (EA-16) (1)	64	66	68	59	63	65	49	52	55
Belgium	70	71	76	67	69	75	55	58	59
Bulgaria	35	40	44	31	35	42	17	22	17
Czech Republic	55	63	64	49	58	60	37	45	50
Denmark	84	86	87	81	84	86	68	73	74
Germany	78	80	81	72	75	77	63	66	69
Estonia	65	66	71	64	66	71	48	53	54
Ireland	62	:	68	57	:	65	44	:	54
Greece	40	44	47	33	38	42	28	31	33
Spain	57	61	63	52	57	60	42	46	47
France	69	71	72	64	68	69	55	57	60
Italy	43	46	49	38	42	46	27	30	33
Cyprus	47	47	53	38	39	48	32	32	39
Latvia	58	63	65	55	61	64	39	49	50
Lithuania	52	56	60	49	53	58	36	37	44
Luxembourg	80	83	88	78	81	86	68	69	75
Hungary	58	63	63	52	59	59	43	49	48
Malta	48	51	60	45	49	58	34	42	48
Netherlands	87	88	90	84	87	89	76	76	79
Austria	73	76	75	67	71	72	47	51	54
Poland	52	55	59	44	49	56	27	33	29
Portugal	46	46	51	40	42	46	33	34	40
Romania	34	35	42	24	29	33	12	17	12
Slovenia	58	60	65	53	56	62	47	48	49
Slovakia	64	72	74	56	66	70	39	49	50
Finland	81	84	84	79	83	82	68	73	73
Sweden	88	89	91	80	88	90	70	75	77
United Kingdom	78	80	84	72	76	82	62	64	64
Iceland	91	92	93	90	91	93	78	78	80
Norway	90	90	91	85	89	91	76	80	83
Croatia	:	:	:	:	:	:	30	33	33
FYR of Macedonia	:	50	55	:	42	50	:	22	26
Turkey	30	:	:	27	:	:	11	:	:
Serbia	41	:	49	30	:	38	19	:	22

(1) 2007 and 2008: EA-15 instead of EA-16.

Source: Eurostat (isoc_ci_cfp_cu, isoc_ci_ifp_iu and isoc_ci_ac_i)

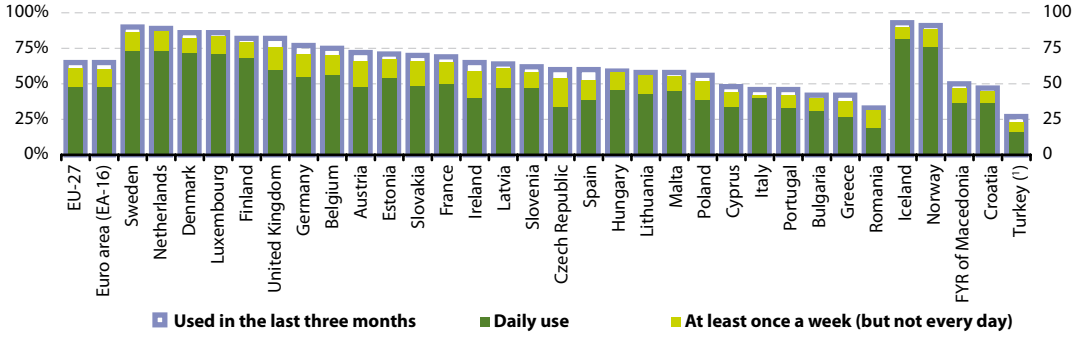
Table 7.21: Place of Internet use, 2009
(% of individuals aged 16 to 74 who used the Internet in the three months prior to the survey)

	Home	Place of work (other than home)	Place of education	Neighbour, friend or relative's house	Other place
EU-27	89	42	13	24	13
Euro area (EA-16)	89	43	12	26	15
Belgium	92	40	12	20	7
Bulgaria	86	34	12	5	9
Czech Republic	89	39	16	14	7
Denmark	96	51	16	22	13
Germany	93	42	10	22	13
Estonia	91	40	17	15	6
Ireland	87	33	10	4	4
Greece	81	40	11	13	18
Spain	81	43	14	28	23
France	87	39	9	36	13
Italy	85	43	13	23	18
Cyprus	83	48	13	20	16
Latvia	87	34	19	31	20
Lithuania	89	35	20	22	11
Luxembourg	95	47	11	17	17
Hungary	88	36	19	20	9
Malta	94	35	6	8	4
Netherlands	98	55	14	20	6
Austria	90	46	11	12	10
Poland	89	32	16	18	8
Portugal	85	42	17	34	24
Romania	84	31	19	12	8
Slovenia	87	48	19	32	24
Slovakia	80	48	16	25	14
Finland	94	56	17	43	26
Sweden	95	54	14	25	18
United Kingdom	94	44	15	28	12
Iceland	96	59	26	46	16
Norway	96	58	13	24	18
Croatia	90	35	10	10	6
FYR of Macedonia	80	20	17	19	25
Turkey (1)	47	38	7	13	33

(1) 2007.

Source: Eurostat (isoc_pibi_pai)

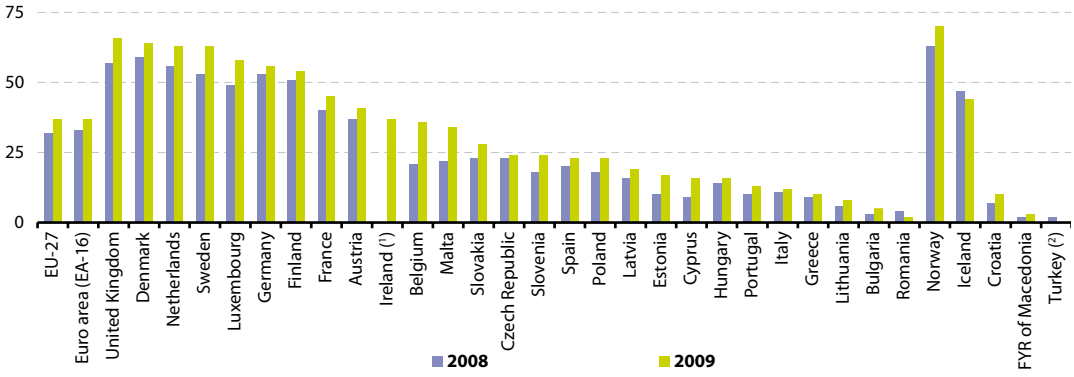
Figure 7.21: Frequency of Internet use, 2009
(% of individuals aged 16 to 74)



(1) 2007.

Source: Eurostat (isoc_ci_ifp_iu and isoc_ci_ifp_fu)

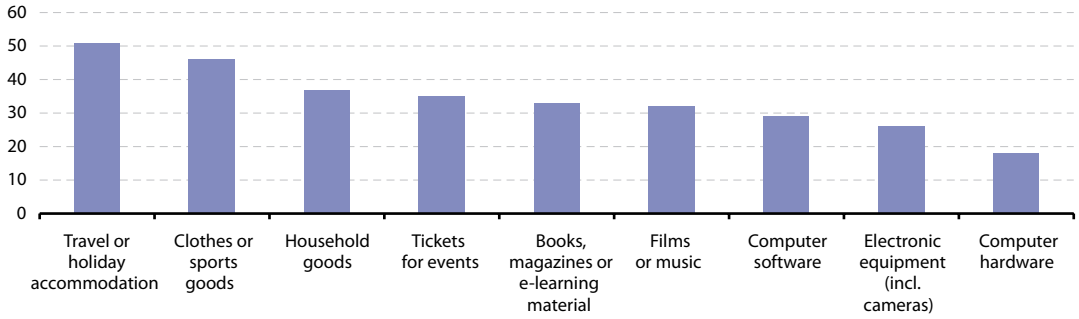
Figure 7.22: Individuals who ordered goods or services over the Internet for private use in the twelve months prior to the survey
(% of individuals aged 16 to 74)



(1) 2008, not available.
(2) 2007 instead of 2008; 2009, not available.

Source: Eurostat (isoc_ec_ibuy)

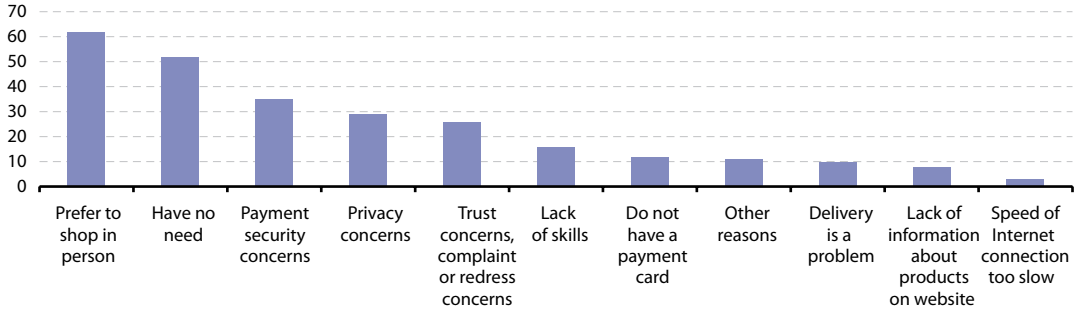
Figure 7.23: Goods or services bought or ordered over the Internet for private use, EU-27, 2009 (1)
(% of individuals buying or ordering over the Internet)



(1) During the 12 months prior to the survey.

Source: Eurostat (isoc_ec_ibuy)

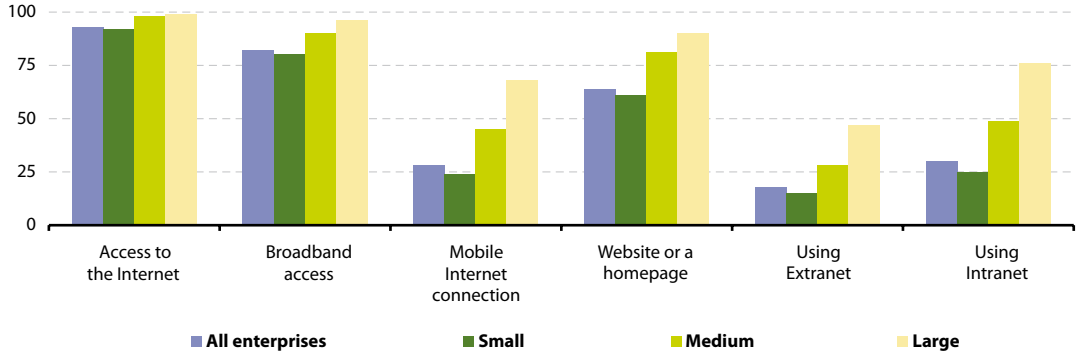
Figure 7.24: Reasons for not using the Internet to buy or order goods or services, EU-27, 2009 (1)
(% of individuals not buying or ordering over the Internet)



(1) During the 12 months prior to the survey.

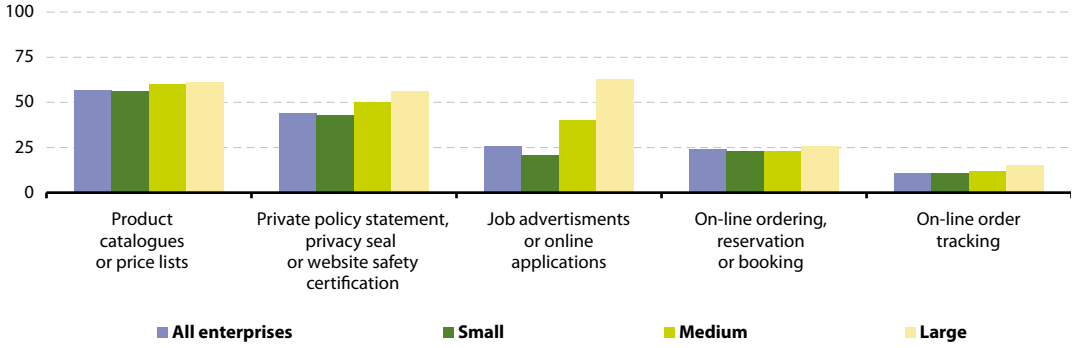
Source: Eurostat (isoc_ec_inb)

Figure 7.25: Enterprise use of information technology, by size-class, EU-27, January 2009
(% of enterprises)



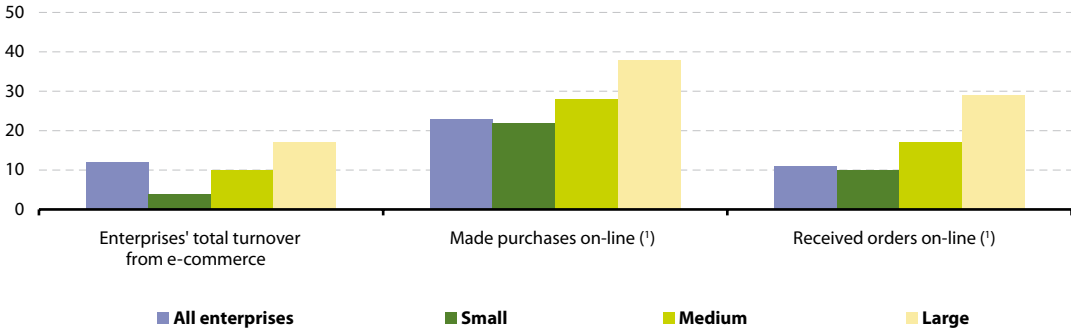
Source: Eurostat (isoc_ci_it_en2, isoc_ci_in_en2 and isoc_ci_cd_en2)

Figure 7.26: Enterprises' websites by facilities provided, EU-27, January 2009
(% of enterprises having a website)



Source: Eurostat (isoc_ci_cd_en2)

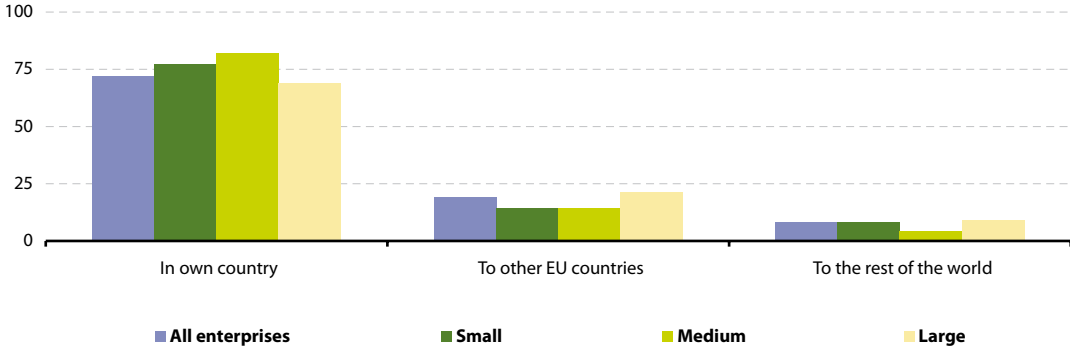
Figure 7.27: E-commerce among enterprises by size-class, EU-27, 2009
(%)



(1) Only enterprises having made purchases/received orders on-line of at least 1 % of total purchases/total turnover.

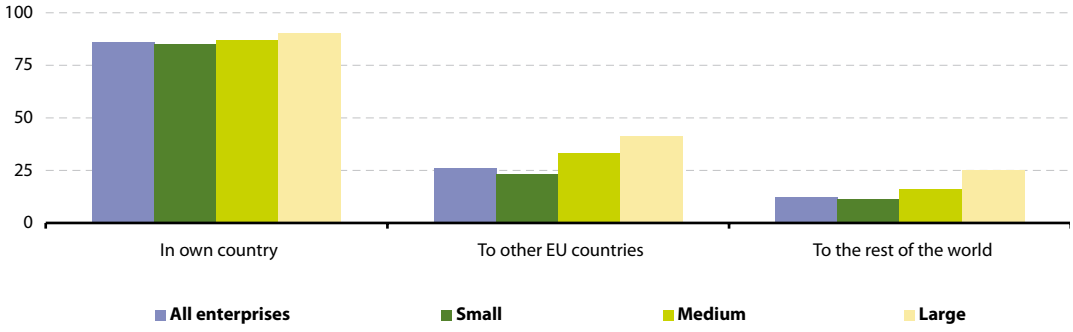
Source: Eurostat (isoc_ec_evaln2, isoc_ec_ebuyn2 and isoc_ec_eseln2)

Figure 7.28: Electronic sales by destination and size-class, EU-27, 2009
(% of turnover from e-commerce)



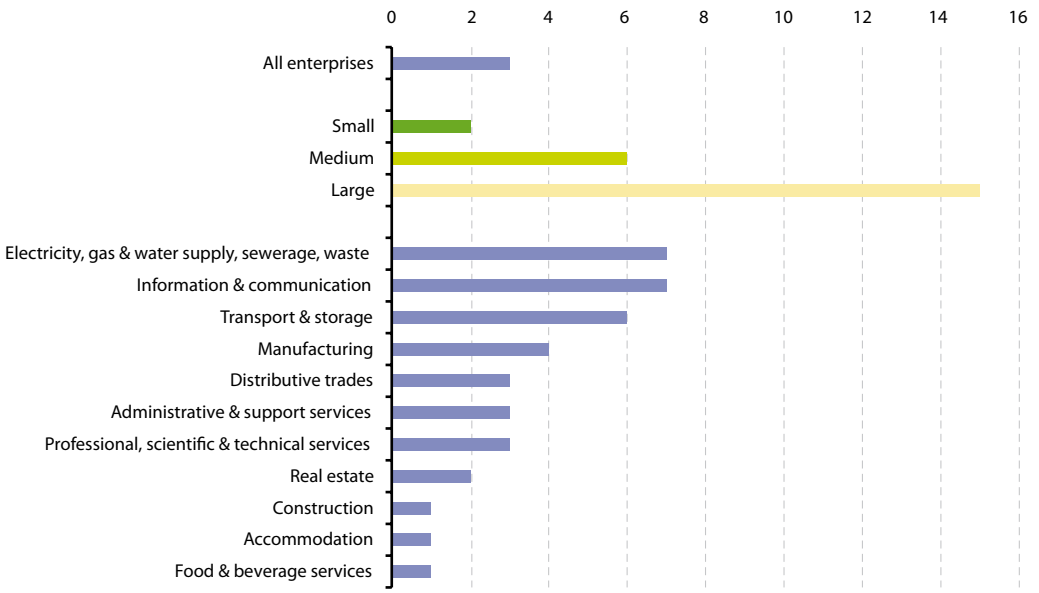
Source: Eurostat (isoc_ec_evaln2)

Figure 7.29: Enterprises regularly sending e-commerce orders, by geographical location of the supplier and size-class, EU-27, 2009
(% of enterprises sending e-commerce orders)



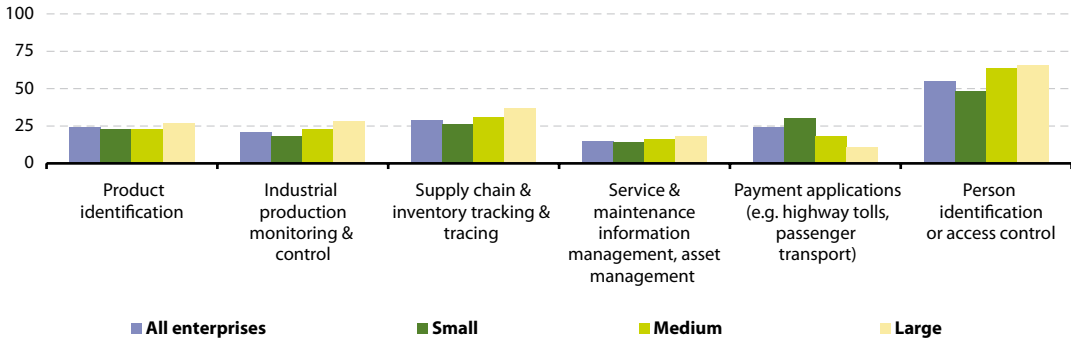
Source: Eurostat (Isoc_ec_ebuyn2)

Figure 7.30: Use of radio frequency identification (RFID) technologies by economic activity and size-class, EU-27, January 2009
(% of enterprises)



Source: Eurostat (lsoc_ci_cd_en2)

Figure 7.31: Use of radio frequency identification (RFID) technologies by purpose and size-class, EU-27, January 2009
(% of enterprises using RFID)



Source: Eurostat (lsoc_ci_cd_en2)

7.7 Telecommunications

Telecommunication networks and services are the backbone of Europe's developing information society (see Subchapter 7.6). Individuals, enterprises and public organisations alike rely increasingly on convenient, reliable telecommunication networks and services. This subchapter presents data on markets and prices for telecommunication services in the European Union (EU) and its Member States.

Historically, European telecommunications have been characterised by public service monopoly providers, often run in conjunction with postal services. Liberalisation of this market began in the first half of the 1980s and, at first, concerned only value added services or business users. Basic services were left in the hands of the monopoly providers. By 1998, telecommunications were, in principle, fully liberalised across the then EU Member States leading to considerable reductions in prices. For Member States joining the EU in 2004 and 2007, the liberalisation process was completed later.

Main statistical findings

Telecommunications expenditure accounted for 2.9 % of GDP in the EU-27 in 2008, compared with 3.3 % in the United States and 3.5 % in Japan (see Figure 7.32). The highest relative levels of expenditure were generally recorded in those Member States that have joined the EU since 2004 (data for Cyprus and Malta are not available), in particular in Bulgaria and Estonia.

Although overall expenditure on telephony has increased, the proportion accounted for by ex-monopoly service providers has generally fallen, as the share of the total telecommunication market accounted for by fixed-line voice operations has shrunk. Growth has been concentrated in mobile telephony markets and other data services. In 2008, the incumbent ex-monopoly service providers in fixed telecommunications markets accounted for more than two fifths of international calls across all Member States (see Table 7.22 for availability), a share that reached 85 % in Malta. The share of the leading operator in the mobile market was relatively low at 38 % in the EU-27 in 2009, varying between 21 % in the United Kingdom and 82 % in Cyprus.

The average number of mobile phone subscriptions per 100 inhabitants stood at 122 in the EU-27 in 2008 (see Figure 7.33). It surpassed parity (100) in 23 of the Member States, where there were more subscriptions than inhabitants.

Total turnover in value terms is based on sales from all telecommunication services, including leased lines, fixed network services, cellular mobile telecommunication services, interconnection services, and Internet service provision. In nearly all Member States (with data available) turnover from mobile services exceeded that from fixed network services in 2008 (see Table 7.23).

The price of telecommunications fell between 2000 and 2008 in many Member States (see Table 7.24). Price reductions were most apparent for national long-distance calls and international calls (the prices considered here are for calls to the United States). On average in the EU-27 the price of a national long-distance call almost halved between 2000 and 2008, with most of this reduction occurring by 2005, as the average price fell 13.0 % between 2005 and 2008. The price fall between 2005 and 2008 for an international call was similar, down 12.1 %, whereas the price of local calls increased by 8.6 %. Convergence of prices among local, national long-distance and international calls is notable, as well as convergence of prices among Member States for respective types of calls. The largest increase (in percentage terms) in the price of local calls between 2005 and 2008 was recorded in Finland where the price increased 63 %, while double-digit percentage increases were also recorded in four other Member States. In contrast, Romania recorded the highest decrease in the price of local calls, down 37 %.

The prices of local, national long-distance or international calls varied greatly across the Member States in 2008. Local and national long-distance calls were most expensive in Slovakia, while the price of international calls was highest in Latvia. The cheapest tariffs for local calls were in Bulgaria and Cyprus, while for national long-distance calls the cheapest were in Cyprus. For international calls, represented by calls to the United States, the cheapest call by far was from Germany, where the cost was significantly lower than for local or long-distance national calls.

Data sources and availability

Eurostat's data collection in relation to telecommunications statistics is conducted through the use of a predefined questionnaire (Telecom), which is sent on an annual basis to the national statistical institutes of the EU Member States. They collect information from their relevant regulatory authorities and send the completed questionnaires back to Eurostat.

Indicators presented in relation to market share refer to fixed-line telecommunications and mobile telephony. The incumbent service provider for fixed-line telephony is defined as the enterprise active in the market just before liberalisation. The incumbent's market share is calculated on the basis of retail revenues.

Indicators relating to the mobile market refer to the number of subscriptions to public cellular mobile telecommunication systems and also include active prepaid cards. Note that many people have multiple mobile subscriptions, for example, for private and work use, or for use in different countries. SMS messages are short-message services, traditionally sent between mobile phones, but also between a range of other SMS-enabled devices and on-line web services.

Data on expenditure for telecommunications cover hardware, equipment, software and other services. The data are not collected by Eurostat; further meth-

odological information is available from the website of the European Information Technology Observatory (EITO).

Telecommunications prices are based on the price (including VAT) in euro of a 10-minute call at 11 a.m. on a weekday in September, based on normal rates. Three markets are presented, namely a local call (3 km), a national long-distance call (200 km) and an international call (to the United States). The data are not collected by Eurostat; further methodological information is available from the Teligen website.

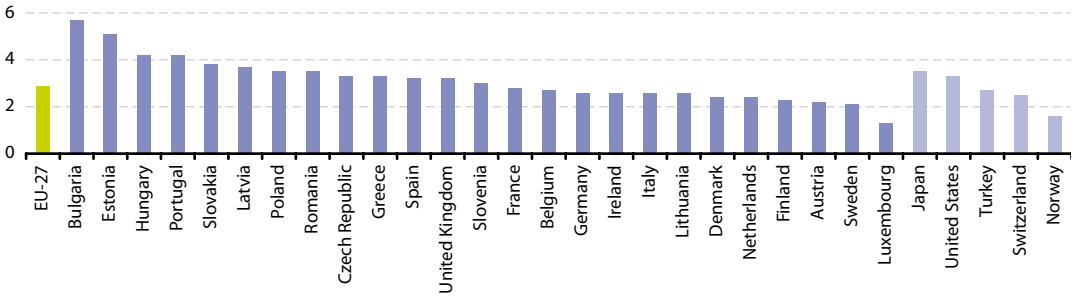
Context

Telecommunication networks and services are the backbone of Europe's information society. Individuals, enterprises and public organisations alike have come to rely increasingly on convenient, reliable networks and services.

In recent years, the liberalisation of telecommunication markets has led to considerable reductions in prices and a wider range of services provided. This may, in part, reflect the introduction of competition into a number of markets that were previously the domain of incumbent monopoly suppliers. In addition, technological change has increased capacity and made it possible to communicate not only by voice, but also over the Internet. Market regulation has nonetheless continued, and the European Commission oversees this market to ensure that consumers benefit. Regulators continue to monitor the significant market power of former monopoly providers, ensure universal service provision and protect consumers. In particular, the European Commission works to ensure inclusive access to telecommunication services for all social groups.

On 30 June 2007, a new set of rules on mobile phone roaming charges entered into force. These foresee that people travelling within the EU are able to make phone calls across borders at more affordable and transparent prices than before. The so-called Roaming Regulation 717/2007 of 27 June 2007 put in place a set of maximum prices for phone calls made and received while abroad (Eurotariff). These maximum prices apply to all consumers unless they opt for special packages offered by their operator. The European Commission and national regulators have closely monitored price developments for text messages and data services. On the basis of this monitoring, in July 2009 revised rules were adopted in the Roaming Regulation 544/2009 that cut roaming prices for (voice) phone calls further and introduced new caps on the tariffs for SMS (Euro SMS tariff). In addition, as of 1 July 2010, consumers are protected by an automatic safeguard against data roaming bill shocks – for example, by providing warnings to consumers when they reach 80 % of a pre-defined limit for monthly roaming charges and automatic cut-off once the limit has been reached. The amended roaming regulation will apply until the end of June 2012 and will be a subject of a review by the end of June 2011.

Figure 7.32: Communications expenditure, 2008 (1)
(% of GDP)



(1) Cyprus and Malta, not available.

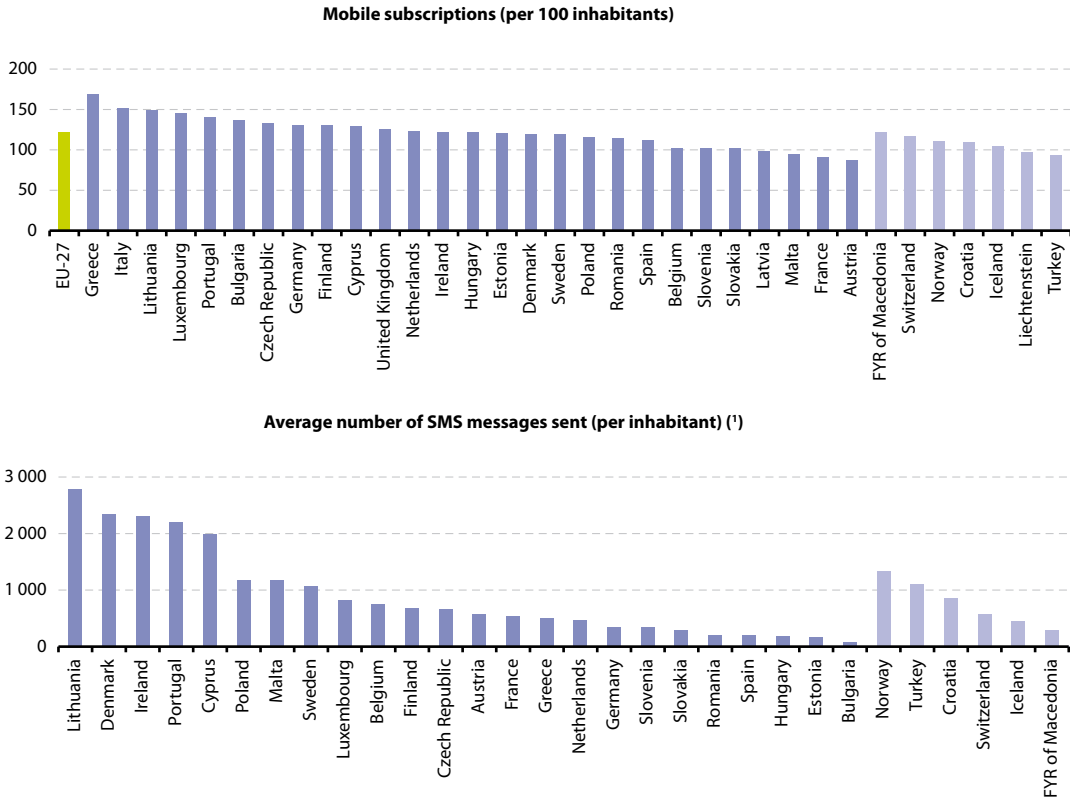
Source: Eurostat (tsiir090), European Information Technology Observatory (EITO)

Table 7.22: Market share of incumbents in fixed telecommunications and leading operators in mobile telecommunications
(% of total market)

	Fixed telecommunications: international calls		Leading operator in mobile telecommunications		
	2007	2008	2007	2008	2009
EU-27	:	:	40	39	38
Belgium	62	62	45	43	44
Bulgaria	86	82	53	49	49
Czech Republic	50	52	42	40	39
Denmark	:	:	40	46	30
Germany	:	:	37	36	37
Estonia	:	:	45	47	47
Ireland	56	54	45	42	40
Greece	74	:	38	43	48
Spain	68	55	46	45	44
France	57	56	43	44	41
Italy	44	47	40	39	36
Cyprus	79	69	89	85	82
Latvia	65	69	35	53	46
Lithuania	77	79	41	39	40
Luxembourg	:	:	57	54	53
Hungary	:	:	44	44	45
Malta	92	85	47	53	50
Netherlands	:	:	48	38	50
Austria	58	52	40	42	43
Poland	66	63	36	33	33
Portugal	:	:	46	48	47
Romania	69	62	44	45	43
Slovenia	79	75	67	72	57
Slovakia	89	80	51	55	53
Finland	:	:	41	40	38
Sweden	43	48	43	43	42
United Kingdom	48	44	24	25	21

Source: Eurostat (tsier070 and tsier080), National Regulatory Authorities

Figure 7.33: Mobile phone subscriptions and the use of SMS, 2008



(1) Italy, Latvia and the United Kingdom, not available.

Source: Eurostat (tin00060, isoc_tc_sms and tps00001)

Table 7.23: Turnover from telecommunications, 2008 (1)
(EUR million)

	Total turnover	of which: Fixed network services	Cellular mobile services	Internet service provision
Belgium	9 658	681	4 033	:
Bulgaria	1 813	287	866	144
Czech Republic	5 684	1 895	3 424	739
Denmark	5 518	957	2 293	1 046
Germany	62 300	20 100	22 800	:
Estonia	723	290	418	89
Ireland	5 081	2 142	2 623	377
Greece (2)	8 166	3 669	4 498	152
Spain	44 186	7 105	15 068	3 882
France	49 112	10 593	18 556	5 400
Italy	:	:	:	:
Cyprus (3)	579	131	286	33
Latvia	:	:	:	:
Lithuania	905	116	395	111
Luxembourg	506	251	252	44
Hungary	3 501	591	1 613	564
Malta	261	83	132	:
Netherlands	13 018	5 228	6 659	:
Austria	5 466	1 187	3 437	641
Poland	:	:	:	:
Portugal (4)	7 781	1 601	2 112	:
Romania (5)	6 097	2 839	2 608	:
Slovenia	1 232	175	512	127
Slovakia	2 156	274	1 379	178
Finland (6)	4 263	613	2 027	:
Sweden (7)	9 098	1 970	2 016	898
United Kingdom	:	:	:	:
Iceland	296	96	117	16
Norway	3 852	816	1 919	754
Switzerland	11 053	3 223	3 178	:
Croatia	2 175	709	1 255	139
FYR of Macedonia	407	123	227	33
Turkey	11 302	4 192	6 796	945

(1) Possibility of double counting in the breakdown of total turnover.
(2) Internet services, 2007.
(3) Internet services, 2006.
(4) 2006.
(5) Cellular services, 2007.
(6) Fixed network services, 2007.
(7) 2007.

Source: Eurostat (isoc_tc_tur)

Table 7.24: Price of fixed telecommunications (1)
(EUR per 10-minute call)

	Local calls			National long-distance calls			Calls to the United States		
	2000	2005	2008	2000	2005	2008	2000	2005	2008
EU-27	:	0.35	0.38	1.33	0.77	0.67	:	2.14	1.88
Belgium	0.49	0.57	0.60	1.74	0.57	0.60	5.95	1.98	2.06
Bulgaria	0.06	0.16	0.16	1.41	0.68	0.50	11.29	1.84	1.35
Czech Republic	0.56	0.65	0.65	1.69	1.32	0.65	:	2.40	2.36
Denmark	0.41	0.37	0.37	0.54	0.37	0.37	4.72	2.38	2.38
Germany	0.43	0.39	0.40	1.24	0.49	0.51	2.45	1.23	0.29
Estonia	0.14	0.25	0.25	0.71	0.25	0.25	10.24	2.55	1.63
Ireland	0.51	0.49	0.52	0.94	0.82	0.86	2.92	1.90	1.96
Greece	0.31	0.31	0.31	1.40	0.74	0.74	3.26	2.93	2.93
Spain	0.28	0.28	0.24	1.85	0.84	0.90	4.25	1.53	1.57
France	0.42	0.33	0.35	1.19	0.83	0.77	2.97	2.27	2.32
Italy	0.25	0.22	0.22	1.72	1.15	1.15	2.79	2.12	2.12
Cyprus	0.08	0.21	0.17	0.61	0.21	0.17	3.73	0.65	0.65
Latvia	0.34	0.34	0.34	1.00	1.00	1.00	5.74	5.75	5.75
Lithuania	0.26	0.38	0.38	1.06	0.78	0.78	11.81	4.02	4.02
Luxembourg	0.37	0.31	0.31	-	-	-	2.06	1.37	1.37
Hungary	0.38	0.44	0.39	1.33	1.17	0.40	4.62	3.19	2.51
Malta	:	0.25	0.25	-	-	-	:	1.76	1.91
Netherlands	0.30	0.33	0.45	0.42	0.49	0.45	0.78	0.85	0.69
Austria	0.69	0.49	0.49	2.30	0.59	0.59	4.32	1.90	1.99
Poland	0.39	0.39	0.56	1.63	1.42	0.56	11.78	4.16	3.26
Portugal	0.23	0.37	0.37	1.28	0.65	0.65	3.68	3.11	3.09
Romania	0.23	0.35	0.22	1.37	0.64	0.22	6.91	2.62	1.19
Slovenia	0.17	0.26	0.29	0.17	0.26	0.29	:	1.40	1.40
Slovakia	0.40	0.74	0.75	1.90	1.52	1.61	11.04	3.74	1.79
Finland	0.22	0.24	0.39	0.87	0.94	0.95	5.68	4.90	4.78
Sweden	0.28	0.28	0.28	0.28	0.28	0.28	1.04	1.01	1.01
United Kingdom	0.50	0.38	0.51	1.00	0.38	0.51	3.00	1.78	2.29
Japan	0.35	0.30	0.29	2.64	1.23	1.00	5.29	5.29	4.67
United States	0.09	0.08	0.08	0.43	1.04	0.79	-	-	-

(1) The indicator gives the price in euro of a 10-minute call at 11 am on a weekday (including VAT) for respectively a local call (3 km), a national call (200 km) and an international call to the United States; prices refer to September; normal tariffs without special rates are used.

Source: Eurostat (tsier030), Teligen